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THE FORCES OF NATURE AS AFFECTING SOCIETY.

ARGUMENT

BEFORE THE

CONGRESSIONAL COMMITTEE,

A. S. HEWITT, CHAIRMAN,

BY

CHARLES CARLETON COFFIN,

January 16, 1879.

(FROM THE COMMITTEE'S REPORT.)



WASHINGTON:  
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## VIEWS OF MR. CHARLES C. COFFIN, OF BOSTON.

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WASHINGTON, D. C., January 16, 1879.

Mr. Charles C. Coffin, of Boston, Mass., appeared before the committee, and, in reply to preliminary questions by the chairman, stated that he was an American citizen; that he had been connected with the press for a good many years; that as a matter of business he had been making a study of the labor question, and was prepared to give the committee some results which he had arrived at. He said that he had no speculations or theories to offer. The committee was asked to legislate in behalf of labor. Labor-leagues, trades-unions, socialistic agitators, and political speakers asserted, first, that labor alone creates wealth, and, second, that capital is antagonistic to labor. Last Sunday he had been in a church in Washington, and the minister, in the course of his sermon, gave utterance to the sentiment, "Labor and Capital stand glaring at each other ready for a spring." Other sentiments were that labor was oppressed; that machinery throws men out of employment; that the rich are growing richer and the poor poorer; and that the condition of labor to-day is worse than in the past. Mr. Coffin proceeded as follows:

In considering these points I propose to go from cause to effect, in order to ascertain how much ground there may be for these assertions. I shall endeavor to show the social condition of society, past and present; the earnings and havings of labor and capital, past and present; what labor and capital together have accomplished; and some of the causes that have produced the present discontent, and will make some suggestions in regard to the future of labor.

These complaints are not new. One hundred and ninety-nine years ago John Basset made a speech in Parliament complaining that the English manufacturer could not compete with the Hindoo weaver, who was content with a small copper coin per day, whereas the English weaver demanded from sixpence to a shilling a day. One hundred and ninety-three years ago the justices of Warwickshire, England, fixed the prices of agricultural labor, making wages from March to September four shillings per week, and from September to March three shillings and sixpence per week, without board. One hundred and seventy-two years ago Gregory King, in a book entitled "Natural and Political Conclusions," states that there were 880,000 families in the kingdom; that half of them were able to eat meat twice a week (including the gentry and aristocracy), and that the other half ate it but a few times during the year. He also stated that the population of the kingdom was 5,500,000, and that the wheat raised was less than 500,000 bushels. This would give but a pint and a half of flour in the year to every man, woman, and child in the United Kingdom; that their living consisted of rye, barley, oats, and pease. Bear in mind that at that time Boston, Albany, New York, Philadelphia, and Charleston were considerable towns.

Since 1830, within half a century, there has been the coming in of a new civilization. I propose to take a glance at the conditions of life and society as they were in my boyhood, in the year 1830, which I can remember distinctly, in contrast with those of the present time, in order to see whether these demands of labor to-day are reasonable or unreasonable.

The stage-coach then made 75 miles a day. To-day you are whirled 40 miles an hour, and across the continent in a week. The mail then went 75 miles a day. Now you talk with your friend in Chicago and hear the tones of his voice through the telephone. The broker in Wall street, the pork-packer in Chicago, the cotton-broker in New Orleans manage their business by hourly reports from every commercial center in the world. In those days the country houses as a rule were unclapboarded, unpainted, unplastered, with a yawning chasm in the chimney for a fire-place, and it was a common remark that in winter people froze one side while they roasted the other.

To-day a majority of country houses are clapboarded, painted, blinded, are neat and comfortable. In the country they have the base-burning stove, and in the city the furnace and steam-heater. The furniture of those days consisted of some common

chairs and a bedstead made by a common carpenter. Carpets there were none. The table garniture consisted of pewter plates and iron spoons, knives, and forks. The kitchen ware consisted of a Dutch oven, a frying-pan, a skillet, and a dinner-pot. To-day there is no end of household furniture. In those days the industries were carried on in the household. There was no industry for females except that of the spinning-wheel and the loom. I had the curiosity to ascertain just what a spinner could do in a day, and I sent up to New Hampshire to a sister of mine who used to be an expert spinner, knowing that she had a spinning-wheel and some rolls, and I had the exact measurement of the distance which she walked in spinning with a large wheel. A day's work of ten hours would enable her to spin 3.8 miles of thread, and she would walk nearly 5 miles in doing it. Now, in one of our manufactories you will see a girl of fifteen minding a machine that spins 2,100 miles of thread in a day—a thread that would reach from Washington to California. In those days the woman who commenced with the spinning-wheel and loom to get her fitting-out when about to get married would have to spend many weary days in making her sheets. To-day she obtains them at seventy-five cents apiece. In those days there was no industry that females could turn their hands to except the spinning-wheel and the loom. They were utterly cut off from doing anything else except working in the field with the men.

The CHAIRMAN. It is alleged that that was a much better condition for women than the existing one; that they were then in the household, in the family, in the relations for which nature designed them, instead of being as now in factories and occupations which sever them from the domestic circle. The proposition is laid down that there is in the present position of women a degradation from the better state of things that existed at that time. What answer have you to make to that?

Mr. COFFIN. That is not my opinion. Those women who labor in factories with whom I have come in contact (those of American birth, certainly) have as much dignity and modesty and refinement as those whom we find at the farm to-day.

The CHAIRMAN. But do they come as readily into the proper functions of woman? Do they marry and settle down and have homes of their own, as women did have a century ago when the farmers were living in the way you describe, and when pretty much every girl was married in the course of time, and had a home of her own?

Mr. COFFIN. The trouble in Massachusetts is that we have vastly more women than men; but that arises from the fact that emigration has taken off the men.

Mr. THOMPSON. That disproportion is counterbalanced by a preponderance of men in some other parts of the country.

Mr. COFFIN. Yes; but they do not happen to come together in marriage.

The CHAIRMAN. Now we are asked to transfer the surplus of labor to the land—to undertake that as a national duty. Would it not be equally a national duty to transfer the unmarried women to the men?

Mr. COFFIN. Quite as much as to do the other. A half century ago my father's house was lighted with a tallow candle or by a pitch-knot on the hearth. To-day you have the softer radiance of the kerosene. In those days, if the fire went out, you had only flint and steel with which to relight it, while to-day every man carries a light in his pocket. In those days a man who loved tobacco, if he was away from a household, could not indulge in the luxury of a pipe unless he had a flint and steel with him. In those days we measured the hours by the shadow of the sun on the floor. Clocks were very rare. Costing from \$40 to \$60, few could afford them. To-day who does not carry a watch? And as to clocks, you can buy them by the cart-load that cost to manufacture sixty-two cents apiece. Almost the only books in the household, in those days, were the Bible, the almanac, and some text and school books, with a Walker's Dictionary, about 4 by 4 inches square and  $\frac{1}{2}$  inch thick. I had the curiosity to ascertain from the printers of the two unabridged dictionaries the number of those dictionaries printed, and while they did not wish to give exact numbers, they gave approximately the number, between 600,000 and 700,000, which would give one to every sixty or seventy inhabitants of this country. In the libraries that contain over 10,000 volumes (college and public libraries) there are 10,650,000 volumes. It is estimated that, including the books in the Sunday-school libraries, there are at least 20,000,000 volumes in the libraries of this country which have been brought in mainly since 1830. In those days we could only obtain clothes by the long process of the manufacture of the cloth at home, the tailoress coming around to make the clothes. Now we can obtain ready-made clothing, neatly fitting, better than the best that could have been obtained in those days, by stepping into any clothing shop.

This change of social condition has been brought about by the improvements in manufacturing. The first power-loom was set up in Waltham, Mass., in 1816, and by 1830 the spinning-wheel had pretty nearly disappeared. In 1830, the female help employed in my father's house received 50 cents a week. The girls went to Lowell, Mass., where they received from \$3 to \$4 a week, or \$2 above board. The wages of agricultural laborers in 1830 were from \$8 to \$10 a month, with their board. In 1845 I worked on a farm in New Hampshire, receiving \$10 a month and board, and on that same farm last

year the hand received \$18 a month and board for doing not the same work; he rode the mowing-machine, whereas I swung the scythe.

The CHAIRMAN. In regard to the purchasing power of the \$10 and the \$18; which would be able to buy the most supplies, the \$10 then or the \$18 now?

Mr. COFFIN. I will show you that before I get through. Now, did the introduction of machinery throw men out of employment? Let us see what was called for to build manufactoryes, and who were set to work. First came the inventor, then the capitalist, who employed brick-makers, stone-quarriers, masons, hod-carriers, wood-choppers, lumbermen, blacksmiths, millwrights, carpenters, joiners, miners, puddlers, coal-heavers, machinists, brass-founders, coopers, tool-makers, the whole fraternity of trades, to build the manufactory. Then when the manufactory was erected, the operatives were called from the country. Girls in my father's kitchen who had been receiving 50 cents a week went to the manufactory and there received from \$2 to \$3 a week. Men were called to be overseers, superintendents, architects, clerks, accountants, machinists, inventors, experimenters, chemists, and dyers. What were they doing before they were thus called forth by capital? They were on farms, they were in coopers' shops, blacksmiths' shops, carpenters' shops; they were behind counters, they were doing ordinary work, but they were competent to do something higher and better, and to receive higher pay. Thus we see first, invention; second, capital setting labor at work; third, labor receiving higher wages and advancing to a higher plane of life; and fourth, skill commanding a premium.

From 1820 to 1830 may be taken as the beginning of manufactoryes. In 1870 the factory system had developed so that by the census it appears that there were employed in all the manufacturing industries of the country 2,053,993 persons; the capital invested was \$2,118,208,000, and the wages paid per annum amounted to \$775,557,000. The wages of all farm laborers in this country, by the census of 1870, aggregated \$310,286,000—less than half the amount of wages paid to laborers in the other gainful occupations. The increase in manufactured products has been altogether disproportionate to the growth of population. From 1850 to 1870 the population increased 65 per cent., while manufacturing increased 322 per cent. It is proper to say that a part of this increase may have been due to an increase of values, and it is fair to say that manufacturing increased three times faster than population.

The CHAIRMAN. I do not know how to arrive at that. Of course, values fluctuated very much from year to year. Take the iron business, for instance, and it is well known that there has been a reduction year by year, and so with many other branches of business.

Mr. COFFIN. I make the suggestion on the authority of the notes to the last census. I think there has been so much cheapening in the cost of manufacture as to make the rise in product much less than is generally supposed between 1860 and 1870.

The CHAIRMAN. I should be very doubtful about it, because you simply take the year 1870; that year was before very high prices. I should think it was an average year.

Mr. COFFIN. Perhaps I am wrong in my statement.

The CHAIRMAN. I doubt whether it is necessary that you should make any qualification of that kind.

Mr. COFFIN. In 1832 there were 1,200,000 cotton spindles in this country; in 1845 there were 2,500,000; in 1855, 9,500,000; and in 1878 there were 11,000,000. In Great Britain there were, in 1832, 9,000,000; in 1845, 17,500,000; in 1875, 37,500,000. In Europe, outside of Great Britain, there were, in 1832, 2,800,000; in 1845, 7,500,000; and in 1875, 19,500,000. The total for the world in 1879 is about 71,000,000 spindles. The result has been, that while between 1830 and 1875 our population increased between threefold and fourfold, the amount of cotton manufactured and used increased thirteenfold, because each person uses three to four times as much as they used to.

Coincident with this development came railroad construction. In 1830 we had 29 miles of railroad; in 1878 we had 81,000 miles. There was not labor enough in this country to carry on this construction, and we sent abroad for it. And here let me call the attention of the committee to the remarkable correlation between emigration and the development of these industries. We had no statistics of emigration prior to 1820, and it is stated that the emigrants in one year did not then reach 8,000. Between 1820 and 1830 there was a considerable increase of emigration. In 1830 the number of emigrants was 23,322. I have here a table showing the statistics of emigration in connection with the number of miles of railroad in operation.

The table is as follows:

Year.	Emigrants.	Miles of rail-roads in operation.
1830	23, 322	23
1831	22, 633	95
1832	60, 482	229
1833	58, 640	380
1834	65, 365	633
1835	45, 374	1, 098
1836	76, 242	1, 273
1837	79, 340	1, 497
1838	38, 914	1, 913
1839	68, 069	2, 302
1840	84, 066	2, 818
1841	80, 289	3, 535
1842	104, 565	4, 026
1843	52, 496	4, 185
1844	78, 615	4, 377
1845	114, 371	4, 633
1846	154, 416	4, 930
1847	234, 968	5, 598
1848	266, 527	5, 996
1849	297, 024	7, 365
1850	369, 980	9, 021
1851	379, 466	10, 982
1852	371, 603	12, 908
1853	368, 645	15, 360
1854	427, 833	16, 728
1855	200, 887	18, 374
1856	200, 436	22, 016
1857	251, 316	24, 503
1858	123, 126	26, 968
1859	121, 282	28, 789
1860	153, 640	30, 635
1861	91, 920	31, 286
1862	91, 987	32, 120
1863	176, 282	33, 170
1864	193, 416	33, 908
1865	249, 061	35, 085
1866	318, 494	36, 827
1867	298, 358	39, 276
1868	297, 215	42, 255
1869	395, 922	47, 208
1870	378, 796	52, 898
1871	367, 789	60, 568
Total	9, 000, 000	

It will be seen that we reached the maximum of emigration in 1854, when the number of emigrants was 427,833, and at that time we had in operation 16,728 miles of railroad. Then we began to decrease in emigration, the next two years being only 200,887 and 200,436. Then in 1857 it amounted to 251,316. But the construction of railroads was going on rapidly during those years, running down to 1861, when the number of miles in operation was 31,286. From 1862 emigration began again to increase, until it again reached its maximum in 1869, when it was 395,922, and then we had 47,208 miles of railroad in operation. In 1871 the emigration was 367,789 and the number of miles of railroad in operation 60,568. The total number of emigrants that arrived in this country from 1820 has been a little over 9,000,000.

THE CHAIRMAN. Your proposition is that the railroads of this country were principally built by foreign labor, and your reason for that is that American labor could find something better to do?

MR. COFFIN. Yes; that is the proposition. We wanted this foreign labor. American labor went in the first place into the manfactories, but there again foreign labor has superseded it in those branches requiring the least skill and intelligence.

The CHAIRMAN. Are you aware that the Southern railroads have been chiefly built by slave labor?

Mr. COFFIN. Yes, sir.

The CHAIRMAN. Then your statement will be limited in the main to Northern railroads?

Mr. COFFIN. Yes, sir; but there were comparatively few railroads in the South and no manufacturing industries to call for labor. In order to induce this foreign labor to come here, we advertised our cheap lands, which probably were an attraction, aside from the high wages paid for labor; we advertised our high wages; we advertised our political institutions; we advertised our citizenship; we advertised our freedom. The railroad companies sent agents all over Europe and established emigration agencies. While this great development is going on here, a similar development was going on in Europe. Millions there were called from the farm and the shop to do something higher and better, and to receive higher wages. Everywhere there was an advance of wages, and of course an increase of production. Let us see how three great nations have advanced since 1827. Here is a half century of progress contained in a few figures. I give the foreign trade, the imports and exports, by decades, of Great Britain, France, and the United States. It is an exceedingly instructive table, for it enables us at a glance to see how three great nations, by the use of the forces of nature, through discovery and invention, the employment of machinery to do the work of human hands, have added to the wealth of the world:

Years.	Total of imports and exports.	Years.	Total of imports and exports.
GREAT BRITAIN.			
1827-'37	\$4,948,750,000	1857-'67	\$9,261,200,000
1837-'47	6,771,555,000	1867-'77	13,313,600,000
1847-'57	11,065,280,000		
1857-'67	20,379,890,000		
1867-'77	28,879,205,000		
FRANCE—Continued.			
FRANCE.			
1827-'37	2,002,400,000	1827-'37	2,006,218,000
1837-'47	2,978,400,000	1837-'47	2,285,428,000
1847-'57	4,601,800,000	1847-'57	4,255,074,000
1857-'67		1857-'67	7,103,309,000
1867-'77		1867-'77	11,016,805,000
UNITED STATES.			

The total trade of Great Britain has within those five decades increased six times, that of France six and a half times, and that of the United States five and a half times. What are the results? It has equalized the world's markets, given low prices to the consumer, taken business out of the hands of the few and given it to the many, distributed wealth, elevated the masses, enlarged the area of civilization, and contributed to the comfort and happiness of the human race.

The CHAIRMAN. Do you not omit to state that pauperism has increased?

Mr. COFFIN. I am not sure about that. Is it a fact?

The CHAIRMAN. You are stating one side of the question, and stating it wonderfully well and in a forcible way, but you have omitted to ascertain the fact that on the other side the allegation is constantly made to the committee that with all this progress one portion of the human race has been placed in a very wretched condition—a hopeless condition almost—that pauperism and want and destitution have increased in England. In this country pauperism was unknown in many of the years which you have described, through which years all have been able to live. Now we have a great mass (variously estimated at from five hundred thousand to two million of persons) absolutely suffering for want of the necessities of life, and living on charity.

Mr. COFFIN. I can refer you to one illustration. In my native town in New Hampshire, the population never exceeded twenty-four hundred, and in former days the poor supported by the town varied from eighteen to thirty individuals; now the poor are supported by the county, but I think that not more than three or four are credited to the town.

Mr. THOMPSON. Is it a manufacturing town?

Mr. COFFIN. No, sir; it is almost wholly agricultural, but it is in a manufacturing community which pays high enough wages to keep agricultural towns even as prosperous as my own from growing, by attracting away the labor which agriculture cannot employ.

The CHAIRMAN. That fact does not meet the main question. The fact of pauperism being now a strong element in the present constitution of society is admitted. A comparison, however, would be interesting of the present state of society in England, with its condition, for example, in the time of Queen Elizabeth, when the poor laws

were passed, owing to the fact that the sturdy beggars all over England compelled the people to give them relief on the highways, which led to the enactment of the poor laws. I suppose that if you had investigated the relative condition of society in England at that period and at the present period, you would find a less percentage of pauperism now than then. I ask you the question to see whether you have considered that point.

Mr. COFFIN. I have some facts to present bearing upon it.

The CHAIRMAN. You can get the statistics of English pauperism from the Blue-Books, and they show that for the last ten years from 800,000 to 1,000,000 persons have been relieved annually at public expense in England, in a population of, say, about 30,000,000. That is, that about 3½ per cent. of the population are in a condition to require relief and public help. That is in a time of prosperity, so that it seems to be a normal condition resulting from the manufacturing system in England that about 3½ per cent. of the population is reduced to a condition of pauperism. Now, unless previous to the introduction of the manufacturing system a state of things as bad or worse existed, it would appear that the establishment of the manufacturing system has had something to do with its pauperism, and your case would probably break down, although I suspect it to be a fact, that the paupers now have more of the actual comforts of life than those who were not paupers had then.

Mr. COFFIN. The last English Blue-Book gives the number of persons, exclusive of vagrants, in the several unions and parishes under boards of guardians, on January 1 of each year since 1863—those that receive indoor and outdoor relief. The Blue-Book also shows the amount of relief given. I present the following table:

Years.	Total of persons relieved.	Population.	Amount of relief.
ENGLAND AND WALES.			
1863.	1,142,624	20,500,356	£6,527,036
1864.	1,009,289	20,834,496	6,423,381
1865.	971,433	21,085,139	6,264,966
1866.	920,344	21,342,864	6,423,381
1867.	958,824	21,608,286	6,264,966
1868.	1,034,823	21,882,059	6,439,517
1869.	1,039,599	22,164,847	6,959,840
1870.	1,079,391	22,457,366	7,498,059
1871.	1,051,926	22,760,359	7,673,100
1872.	977,664	23,067,835	7,644,307
1873.	890,372	23,356,414	7,886,724
1874.	829,281	23,648,609	8,007,403
1875.	815,587	23,944,459	7,692,169
1876.	749,593	24,244,010	7,664,957
1877.	724,350	24,547,309	7,488,481
1878.	742,703	24,854,397	7,400,966
IRELAND.			
1863.	66,228	5,716,975	701,031
1876.	85,330	5,350,950	1,018,497
SCOTLAND.			
1863.	120,284	3,126,587	736,028
1876.	96,404	3,593,929	858,907

We see that in England, in 1863, the per cent. of population receiving aid was 5.55, whereas in 1876 it was 3.06; in Ireland, in 1863, it was 1.15, while in 1876 it was 1.59; in Scotland, 1863, it was 3.84; in 1876 it was reduced to 2.68.

I do not know the number of spindles in operation in Great Britain in 1863, but as there were 17,500,000 in 1845, while at the present time the number is about 40,000,000, I suppose 25,000,000 may be an approximate number. The period since 1863 has been the most active in the history of Great Britain. There has been a far greater development of machinery than at any other period of her history, and yet pauperism has declined from 5.55 per cent. to 3.06. Undoubtedly there is at the present time great distress in England, but it has come on within the last eighteen months. Can we say in the face of these official returns that the use of machinery increases pauperism? The reverse seems to be the case in England and Scotland. I think that if we were to make diligent search we should find the causes of the present distress in England in other

directions. Some of the causes that have produced depression here are operative there, and some are not, while some that are operative there have not been known here. England has had no war, no inflation of currency. During our troubles she swept away our commerce and became almost wholly the world's carrier, manufacturer, and banker. She profited by our misfortunes and by the disturbances on the continent between Germany, Austria, and Italy in 1866, and between France and Germany in 1870-71. Her accumulations have been so vast that she has been able to put off the evil day till now. Having but a small area, she has not been called upon to construct railroads, as we have been doing. In 1862 the mileage was 11,555, costing £35,218,000; in 1877 there were 16,872 miles in the United Kingdom, with a capital of £65,214,000, or, at \$5 the pound, \$3,290,000,000, against our \$1,000, with a larger capital. Her roads were not constructed in solitudes, and although they may not all have made immediate returns to those who built them, they were of immediate value in the development of trade.

Among the causes of the present distress in England, incident to that country and not to this, is the gradual decrease of acreage devoted to the production of food. Here the acreage is constantly on the increase, and there is a steady and rapid advancement in the productions of the farm and pasture; there we find the reverse. I give the following table from the Blue-Book:

*Acreage in cereals.*

	Acres.
1867 .....	11,432,503
1876 .....	11,064,940

*Grass, flax, hops, and clover.*

	Acres.
1867 .....	5,679,433
1876 .....	6,641,180

*Permanent pasture.*

	Acres.
1867 .....	22,052,510
1876 .....	24,053,271

*Horses in Great Britain.*

	.....	Acres.
1870 .....	.....	2,631,306
1876 .....	.....	2,834,241

*Cattle.*

	.....	Acres.
1867 .....	.....	8,731,473
1876 .....	.....	9,957,180

*Sheep.*

	.....	Acres.
1867 .....	.....	33,187,951
1876 .....	.....	32,252,570

*Swine.*

	.....	Acres.
1867 .....	.....	4,221,000
1876 .....	.....	3,754,000

The acreage in cereals is diminishing, while pasture and grass lands are increasing. Horses and cattle are increasing, while sheep and swine are diminishing. Population is increasing. Since 1863 the acreage of grain has been reduced 367,000 acres, while the increase of population has been 4,365,000. Of course the food is imported and the modern inventions in steam transportation enable a nation in times of peace to rely on foreign supply; but it has to be paid for by the operative with money. Having no land to cultivate he can transform his labor into food only through wages received at the factory. When the supply and demand for goods are equal (and the demand will always bring up the supply) all goes well, but the least falling off in the demand is felt at once at the factory by reason of the rapidity of communication and transportation. And with the inability to save, which seems characteristic of the English operative, a few weeks idleness brings that distress which shows in the form of pauperism.

Now, if machinery has caused pauperism in England, what shall we say of Italy, where there is no machinery and where pauperism abounds? France has a great deal

of machinery, not so much as England, but pauperism does not prevail to any extent, while in Spain where there is no machinery the country is overrun with beggars.

We have no data in this country by which we can ascertain to a certainty whether pauperism is on the increase or decrease. We have only reports of cities and towns from year to year, but nothing from which we can predicate anything one way or the other. It is said that the number of the poor is increasing, but it is only assertion. I am disposed to think that in 1875-'76-'77, the number of men out of employment was greater than in 1873-'74; and I am also of the opinion that there are fewer men out of employment to-day than a year ago; but my opinion, with no facts behind it, is of little account. That pauperism is increasing out of proportion to the increase of population in this country, I am not ready to admit without something besides assertion. Colonel Carroll D. Wright, chief of the bureau of statistics in Massachusetts, has given testimony upon this point, and I need not further pursue it.

But allow me to revert once more to the Blue Book of Great Britain. It is said that machinery produces pauperism, and pauperism leads to crime. If such be the sequence, what shall we say to the following exhibit of commitments for trial in the United Kingdom :

Years.	England.	Scotland.	Ireland.
1862.	30,001	3,630	6,660
1863.	20,818	3,404	6,078
1864.	19,506	3,212	5,086
1865.	19,614	3,117	4,657
1866.	18,849	3,003	4,326
1867.	18,971	3,005	4,561
1868.	20,091	3,384	4,127
1869.	19,318	3,510	4,151
1870.	17,578	3,046	4,936
1871.	16,209	2,948	4,485
1872.	14,801	3,044	4,471
1873.	14,893	2,755	4,544
1874.	15,195	2,880	4,130
1875.	14,714	2,372	4,248
1876.	16,078	2,703	4,146

In 1862 the total in the three countries was 30,291, while in 1876, with an increase of 4,365,000 population, the commitments ran down to 22,937. What shall we infer from this? That justice is not so vigilant in Great Britain now as in 1863? Or that from some cause there is really less crime? I will not attempt any elucidation here; but behind this fact there is a good deal of food for thought, especially for all those who believe that the world is going to the dogs about as fast as it can go.

Further on I shall have something more to say in regard to the sentiment of the world in relation to pauperism.

There is a class of inventions that we may term generic, which have had a great effect upon the condition of society. There is the telegraph, unknown at the beginning of this new civilization. There are to-day from 40,000 to 50,000 telegraph offices in the world. We may think of the great number of men that have been called from the farm, the workshop, the smithery, to make the wire, to construct the machines, the insulators, the batteries, and all other things employed in telegraphing. The operatives were doing something else. They have been called from a low employment into this higher occupation, which requires education, lifting them in the scale of civilization. The telegraph now gives employment to a large number of women who before were shut up to the industry of the household.

Photography is another generic invention which has had a very wide effect, even affecting the egg markets of the world. That is one reason why we do not get eggs cheaper to-day. It has affected the rag-pickers of Paris and every other city in the increased use of paper. Another generic invention is the use of India rubber, affecting not only people of this country but the natives of Borneo and South America. So also with gutta-percha. Then there have been the great developments in chemistry, a utilization of the articles that were formerly thrown away. Coal-tar, for instance, is now wholly utilized, and its products have become great articles of commerce.

Agricultural machinery is not generic. The reaper was invented in 1833, but was not brought out until 1844, when there were 150 machines put in operation. In 1850 there were about 5,000 reapers in operation. So clumsy and so unwieldy were they, that in 1852 the judges of the New York State Agricultural Association decided that it was not then determined that the mower would supersede the scythe or the reaper the cradle. And yet invention has been going on until to-day it emancipates the farmer from the tyranny of the men, the binders, who, starting in the South, make progress with the season, the ripening of the wheat, and move north to Minnesota,

making the farmers' necessity their opportunity, and compelling him to pay them from \$3 to \$5 a day. My brother in Minnesota had to pay that much last year, and he found the exactions of the binders so great that when the harvest came on this year he secured a self-binding reaper for his own protection, otherwise he could not have afforded to harvest his grain. The result is, we are able to take \$180,000,000 a year from England for our food products alone.

The CHAIRMAN. Permit me to put a fact in there as to the increased demand produced by new inventions. Five years ago the first order was given for wire for the self-binder. The order was for about 50 tons of wire. The next year the order was about 300 tons; the next year the order was 2,800 tons; the next year it was 6,500 tons, and in the present year the order for wire for self-binders has been 12,000 tons. You can put that fact with your present facts to show the rapid progress that is being made in that direction. Fourteen thousand tons of iron twenty years ago would have covered the entire product of wire for the United States for all purposes whatsoever.

Mr. COFFIN. Besides that, sir, the invention of the cattle barb has made wire fences practicable, and all through last spring they were built at the rate of 160 miles a day, each foot of fence using about 7 feet of wire—all to the gain of the farmer, the iron-worker, and to the preservation of our timber for more important uses.

This new civilization has its power in the development of the forces of nature. Before the beginning of manufactures there were coal deposits in Pennsylvania as there had been from the day of creation. But the time came when invention, capital, and labor together employed the stored-up sunlight of the primeval ages for the benefit of the world. Let us see how coal and water have been employed to do the work of human muscles during the last half century. Take the State of Massachusetts in 1875 and let us see what was done. The horse-power of the steam-engines of Massachusetts in 1875 was rated at 208,166 horses, and the water-power at 318,748 horses, making a total of 526,914 horses, which was equal to the labor of 1,912,608 men, perhaps 300,000 more than the entire population of the State.

By the censuses of 1870 the horse-power in steam-engines in the whole country was 1,213,000, and in water-power 1,130,000, a total of 2,343,000, which is equal to the labor of 14,058,000 men, a horse-power being estimated to the muscular force of six men.

I come now to railway transportation. The Massachusetts railway reports for 1876 show 1,030 locomotives at work. One of our ablest engineers, Mr. Edward Appleton, has set himself to see what those locomotives would do when compared with the use of horses on common roads, and he estimates (after throwing out the locomotives that are used on tracks that are being repaired and in machine shops) 682 locomotives in use, and that the work performed by them would be equal to 1,519,496 horses on common roads. Taking his formula and applying it to the locomotives of the United States, as given in Poor's Manual, we find that the locomotives in the entire country are doing the work of 29,676,960 horses on common roads.

The cost of transportation has greatly decreased since the introduction of railroads, even over canal transportation. Last summer it cost but fifty cents to transport a barrel of flour from Saint Louis to Boston. How far can a barrel be transported on a common road? Not much more than five miles. Even if a man were to make a business of it, he could not transport a barrel more than ten miles at that price. Contrast this with 1830, when, on the Erie Canal, the cheapest transportation of that period, it cost \$18.32 to transport a ton of freight from Albany to Buffalo.

In 1840 the speed of the Atlantic steamships was 5.3 knots per hour, and in 1877 it was 15.6 knots. The consumption of coal in 1840 was 4.7; in 1877, 1.9 tons.

The CHAIRMAN. Do you mean per horse-power?

Mr. COFFIN. To be precise, let me give Mr. Bramwell's statement that within even the last fifteen years the consumption of coal in regular ocean steamers has been brought down from 5 pounds to 1 $\frac{1}{2}$  pounds per gross indicated horse-power per hour. But in this connection I call your attention to the fact that although the pound of coal can accomplish three times as much to-day as fifteen years ago, and ten times as much as it could at a time within our own recollection, we do not get along with one-third the coal we used in 1863. On the contrary, there was probably never so much coal used for steam as now. Its increased efficiency has cheapened its use, or the power which is its product, and this cheapness has increased the demand not only for power but actually for coal. And I believe the same rule holds true of labor when its efficiency is increased. I think it is apparent that if the locomotive were blotted out of existence, if, in the matter of transportation, we were to be set back to our condition of a half century ago, vast areas of this country, now prosperous and powerful States, would be solitudes—the home of the buffalo and the Indian. Let us not forget that the first furrow in the State of Iowa was turned in 1833, and that up to 1856 Minnesota did not raise enough wheat to feed her population.

The number of operatives engaged in the manufacture of cotton goods throughout the world is estimated by Mr. Edward Atkinson at 1,100,000. The English statisticians estimate the number 1,300,009. I take the larger. The cotton manufacturers

state that machinery has increased individual labor a thousand fold: therefore there are 1,300,000 persons employed in cotton manufactures throughout the world, doing the work that, under the old way, of hand-loom and the spinning-wheel, would require the labor of every individual on the face of the earth, as given by the Almanach de Gotha. In 1830 the price of prints was 50 cents a yard—not so good a quality as that which you can purchase to-day at 5 cents a yard. I have at home a piece of the cloth such as was manufactured in 1830. It was given to me by Mr. Samuel Bachelor, one of our venerable manufacturers of New England. It is of such quality as to-day would be hardly used for the lining of shoes; but then it was considered a very good class of cotton goods.

The CHAIRMAN. In 1790 a man was executed in Dublin for some crime. He was a linen weaver, and in his dying speech he said that if it had not been for the introduction of cotton superseding his trade, he would not have been reduced to poverty and would not have been compelled to steal, and he charged his fate on the invention and introduction of cotton into England which had destroyed his business. He made quite a strong philosophical politico-economical argument in his last dying speech, warning the people to turn cotton out of England because it would bring everybody into the same unfortunate condition as it had brought him.

MR. COFFIN. If you visit Garside's manufactory in Philadelphia, you will find his engine doing with seven tons of coal the work of seventy thousand men. If we reckon seven tons of coal as costing \$21, and the labor of seventy thousand men at \$1 a day, then it is \$21 as against \$70,000 of expenditure saved in muscular effort. Does it throw men out of employment? Does it not liberate them from muscular toil? Does it not leave them to do something better and higher? Instead of employing their muscles they employ their brains.

The CHAIRMAN. Take the blning machinery introduced into manufacturing and displacing twenty or thirty men. They have no place to go and use their brains; they are turned out of this particular work and have no other occupation. What are they to do?

MR. COFFIN. Under the conditions of life in this world there will always be a readjustment of things, and some men are going to be thrown out of employment and forced to seek new fields of labor. That is the operation of physical law, and can no more be changed by legislation than the revolution of the earth on its axis.

The CHAIRMAN. You do not deny that immediate distress is produced, but you think that ultimate benefit results?

MR. COFFIN. It would cause immediate distress if all machines were invented at once and came into universal use at once, but neither is true. A machine is always of slow growth. It takes years to bring it to perfection. Take the locomotive, for example. Stephenson's first machine weighed from three to four tons. How crude it was! It has taken three-quarters of a century to bring it to its present degree of perfection, and it has not reached its ultimate power. The locomotives of the future will accomplish far more work than those now in use. Did the locomotive come into universal use at once? How many men did it throw out of employment the first year of its introduction? Very few, if any. They were wanted on the railroads. Improvements of the last twenty-five years, particularly the hydro-extractor, have greatly decreased the labor required to refine a pound of sugar; but the result in the long run has been that everybody uses refined sugar instead of the moist brown sugar we used to have, and I do not doubt that more operatives are employed in the business. Take the reaper for illustration, invented in 1833. In 1845, only one hundred and fifty in use. In 1852, at a trial of reapers in Geneva, New York, there were nine machines by different makers, and so imperfect were they that not one could stop in the grain and start again without backing to get up speed. Nineteen years had passed since the taking out of the first patent, and there were not at that time only about eight thousand machines in use. Since then more than two million reapers have been manufactured, and the manufacture is going on at the rate of about one hundred and fifty thousand per annum. If these machines had all been brought into use at once they would doubtless have made a great disturbance of manual labor; but, as I have said, no machine ever does so come. I have shown that before the capitalist can start his manufactory he must build it, and that he calls a great number of men from other employments. The moment that they left one employment for another readjustment began, and it was so gradual that there was no immediate distress. I have yet to find proof that the use of machinery causes any considerable distress; but, on the other hand, I will show you that for the lack of it there has been terrible distress. China has no machinery—no railroads. All labor in that country is muscular, and yet we have seen several provinces depopulated by famine, notwithstanding the efforts of the government to relieve the distress. It was an impossibility. There was food enough in the world; we could have supplied it in abundance; but if we had sent millions of bushels of grain to Shanghai or Pekin, the starvation would have gone on all the same for want of railway transportation. Take the famine in the East Indies a few years ago as an illustration. The British government piled the docks at Madras with mountains

of food ; it employed all the carts it could obtain : but with all the means at their command it was found impossible to relieve the distress, and the government, to prevent a recurrence, has constricted railways, not simply as commercial enterprises, but in the interest of an advanced civilization and in accordance with humanitarian ideas.

We shall find, I think, when we examine this question closely, that the use of machinery instead of causing distress alleviates it, and that it will be seen that instead of supplanting labor creates even a new demand for it by the opening of new fields. I would not be understood as saying that machinery does not necessitate a change of occupation ; that is inevitable. It belongs to progress. If it is complained of as a hardship for one who knows only one occupation to be compelled to change it for another which he must acquire in old age, I admit it, and have only to say that there are a great many other hardships in life under the domain of physical law. The fire burns my house, the hail destroys my wheat, the sun scorches it, rust renders it valueless, and I am powerless under these forces of nature, just as I am when the introduction of a new machine forces me to seek other employment. Is it said that we cannot prevent fire, hail, rust, and mildew, but we can prohibit the use of machinery ? Very well. Put on the prohibition and become Chinese, for that is what we shall be—stationary, utterly non-progressive.

Pardon me for elaborating this point at such length, but I have been led on in consideration of the loose ideas afloat in regard to it.

The CHAIRMAN. You do not deny that immediate distress is produced, but you think that ultimate benefit results ?

Mr. COFFIN. That is the proposition. I would not have it understood as immediate relief.

The CHAIRMAN. On the contrary, immediate distress.

Mr. COFFIN. If it causes immediate distress, it produces ultimate benefit. It leads men to a higher plane of existence. With the capacity which our people have to change their occupations I doubt this immediate distress. I have never been able to find instances or proof of it. For illustration, blued screws, blued iron is much more used than a few years ago, and nickel finishing is a new art. In Lowell each factory building for thirty years has been increasing its product and diminishing its hands ; but the city has increased several fold, and Lawrence, nearly as large, has grown up a few miles from it.

Take another illustration. Under the old process of cleaning cotton, before the invention of the Whitney gin, a man could clean four pounds a day. The gins now in use clean 4,000 pounds a day. The cotton crop of this country last year was estimated at 4,700,000 bales. It probably exceeded that. That would be 2,021,000,000 pounds. Under the old way it would have required 505,000,000 days' work at \$1 per day (that is \$505,000,000) to clean cotton—a work which is done at present by 1,614 men working 313 days in the year, and costing not over \$500,000.

From this presentation it is clearly manifest, it seems to me, that through the employment of the forces of nature, through discovery, through invention, by capital and labor working together, there has been a great increase of accumulated earnings. Labor claims that it has done pretty much all that has been accomplished, and that capital is oppressive. Waiving for the present an examination of the claim, let us glance at some of the accumulations of labor and capital jointly during the last few years.

The first savings bank in this country was established in Philadelphia in 1816. The deposits in 1830 in all the banks of the country were about six millions of dollars. In 1876, as by the American Almanac, they were a thousand million dollars. In general banking we have no data of capital in 1830, but the circulation in 1830 was \$74,248,000, or \$5.77 per individual. In 1874 the circulation (greenbacks and national bank notes) was \$777,538,000, or \$18.14 per individual. I suppose that to-day it would not be more than \$16 per individual, but I have not the figures. The national bank exhibit for December, 1877, shows :

Capital paid in .....	\$479,467,000
Surplus fund .....	122,776,000
Undivided profits .....	44,572,000
Individual deposits .....	616,218,000
Or a total of .....	1,263,033,000
Other banks and trust companies, capital paid in .....	223,503,000
Deposits .....	1,351,867,000
	1,575,370,000
Total banking .....	2,838,403,000

I have not been able to obtain, in regard to insurance, full data. Fire and marine insurance are of ancient origin. Life insurance belongs to the new civilization.

New York joint-stock companies in 1877 had gross assets to the amount of \$59,661,000. The companies of other States doing business in New York had gross assets to the amount of \$77,047,000. The Connecticut life companies had gross assets to the amount of \$100,000,000. The Connecticut life companies \$97,000,000, and the Massachusetts fire and life companies \$140,000,000, making a total of \$414,047,000. It is probable that the assets of all the insurance companies in the country will aggregate about \$800,000,000. In railroads, the stocks and bonds in 1878 amounted to \$4,413,000,000. Of course there is a large amount of indebtedness on them. As to national and State

securities, the amount of national securities in 1877 was .....	\$2,060,000,000
State securities in 1870 .....	868,000,000
County securities in 1870 .....	157,955,000
The securities of 126 towns in 1876 (according to the American Almanac, page 382). . . . .	644,119,000

Total..... 3,730,074,000

The national bonds held abroad are said to be no more than \$200,000,000, and our total indebtedness held abroad is supposed to be about \$500,000,000. The aggregate capital in banks and insurance, railroads, national, State and other bonds, thus gives an aggregate of about thirteen thousand million dollars. In 1870 the census gave the value of property in the United States at thirty thousand sixty-eight millions. A writer in an English statistical journal, in June, 1877 (Mr. Bouve), says that the wealth of England is increasing at the rate of twelve hundred and fifty million dollars per annum. Mr. Gladstone says that the development since 1800 is greater than that from Julius Caesar to that date. Mr. Edward Atkinson has shown you that labor takes 95 to 98 per cent. of the earnings, leaving to capital from 2 to 5 per cent. I have nothing to say on that point, and therefore pass it.

But capital is liable to utter annihilation. I have no data in reference to the amount lost by fire per annum, but several gentlemen conversant with insurance have given me their opinion that it amounts to at least \$100,000,000. Invention destroys capital. The manager of the Amoskeag Mills, Manchester, N. H., informed me that no manufacturer could afford to take as a gift to-day a manufactory equipped as it was in 1860. A gentleman from South Carolina informed me that one of the manufactories in that State was sold the other day under the auctioneer's hammer; that the men running it had been running the same machinery that was in use before the war, and that it had bankrupted them simply because invention had gone on so far and so fast, that no man can take the machinery as it was in 1860 and run it to-day and make a living.

The CHAIRMAN. Our own iron-works at Trenton were begun in 1845. They have been rebuilt practically five times since 1845, absolutely rebuilt, not on account of destruction by fire, but in order to keep up with the improvements. I speak of rolling-mills. Furnaces have had to be rebuilt in exactly the same way. For instance, no furnace that was in existence twenty years ago could be run to-day. No man could afford to take it as a gift and run it.

Mr. COFFIN. Progress destroys capital. Fashion destroys it. A few years ago there was a large amount of capital invested in the manufacture of hoopskirts, but the ladies took it into their heads not to wear hoopskirts any longer, and that capital was utterly annihilated. One remarkable thing, however, has come out of the capital invested in the manufacture of crinoline skirts. The inventions in the manufacture of the steel used (thin strips of steel) have been turned to good account in other departments of industry. Change of style destroys capital. If you go into one of our manufactories of mixed goods (cotton and wool), you will find that the change in taste is constantly compelling the owners to banish their old machinery and put up new. At first sight it seems to destroy the laborers' capital, the skill of handicraft which enables him to earn more than the wages of mere unskilled labor. But I think that the modern training of the workshop gives him something better than manual skill, namely, the intelligence to learn new things; and this is a capital which a change of fashion does not destroy. In order to show instances of the extinction of capital, I will state that in 1878 there were in this country forty-eight railroads in bankruptcy. These companies represented thirty-nine hundred miles of road and three hundred and twelve million dollars of capital. Last year twenty-seven railroad companies, representing thirteen hundred and twenty miles of railroad, had receivers appointed.

The CHAIRMAN. Was there any extinction of capital in that case?

Mr. COFFIN. Yes; about one-half.

The CHAIRMAN. What kind of capital?

Mr. COFFIN. Bonds and stock.

The CHAIRMAN. Was it capital? Suppose I mark up my goods, have I a right to regard that as capital? The fixed capital was the railroad itself. That still survives. What was wiped out?

Mr. COFFIN. The real capital was what the road cost.

The CHAIRMAN. But after it became fixed, then the capital is not what the road cost, but what it was worth.

MR. COFFIN. And if is not worth what it cost, or if it never will be worth what it cost, it is so much accumulated capital lost forever.

MR. THOMPSON. Somebody lost the money invested in the bonds.

THE CHAIRMAN. Provided they paid for them.

MR. THOMPSON. Of course they paid for them, otherwise they could not have proceeded against the company.

MR. COFFIN. I come now to the causes of the present depression. Under this new civilization an amount of capital has been called for far beyond the accumulations of the past, and the future has been drawn upon as never before in the world's history. The country tied up in mortgages all its past accumulations and all its prospective earnings for a long period of years. Everybody issued promises to pay. The outstanding bonds of the United States at present are to the extent of more than two thousand million dollars. The States, counties, cities, towns, villages, railroads, manufacturing companies, churches, societies, individuals, all issued promises to pay. We constructed railroads where they were not needed, in solitudes where there was no present and but little prospective revenue. We laid out towns in the wilderness, giving a fictitious value to land. That which had had no value suddenly became assets upon which we issued more promises to pay. Multitudes, instead of producing, turned their attention to creating fictitious values, upon which they issued promises to pay, adding nothing to real accumulations, but, instead, mortgaging prospective earnings. It was in no sense real capital, but it could be used as real. We purchased carriages, pictures, books, pianos, articles delightful to have, but which produce nothing and which are constantly depreciating, and we paid for them in more promises to pay, increasing the fictitious value, but adding nothing to real accumulations by the process. So long as we could meet our promises to pay by issuing more promises the miner went on mining, the furnaces blazed, the rolling-mills turned out iron, the railroad-builders went on laying down tracks in the solitudes, trade was lively, and everybody seemed to be on the road to fortune. We bought and sold, scattered that which we called money right and left, losing sight of the fact that everything in the universe is under the domain of law, and that sooner or later the laws which govern human progress, which are powerful to build up, are equally powerful to destroy.

Society is so complex, so interwoven and interdependent under the new civilization, that any derangement of one wheel in the system will be felt in every part. We had used up so much of our past accumulations in unproductive enterprises, had issued such an enormous quantity of promises to pay, that, when in 1873, a firm that had issued large promises, failed to meet its obligations, the whole fabric tumbled; other firms failed to meet their promises, and there was a general stoppage of the entire machinery, throwing a multitude of men out of employment. There was nothing for them to do, nothing to pay them with. Then came the clearing away of the wreck by trustees, receivers, courts of insolvency, the wiping out of indebtedness of railroads, trust companies, and savings-banks. Men who had invested their earnings in them, who thought themselves rich, saw their assets disappear like the fog before the sun. In addition, cities, towns, counties, and States openly repudiated their solemn obligations.

Amid this wreck and ruin labor complains, and we are brought to the question of present *earnings* and *havings*. I refer, in this connection, to the statement of factory operations given by Mr. W. A. Burke, of the N. E. Manufacturers' Association, showing that the factory operatives in 1838 worked seventy-six and one-half hours, and in 1857 sixty hours per week; that in a factory in Nashua, N. H., with 6,100 spindles, the number of hands employed was, in 1838, 28 males and 213 females, total 231; and, in 1857, males 15, females 75, total 90. The increase of wages comparatively was, for males 40 per cent., for females 47 per cent. The amount of production in 1838 was 1.01 and 3.33 pounds of cloth in 1857. The cost of production was 4.79 in 1838 and 2.58 in 1857. This advance of wages, this decrease of the cost of production, was brought about by annihilation of the original capital. The records show the earnings and the prices of board in 1860 and 1878. They are as follows:

Average earnings of girls, per week, in 1838.....	\$3 26
Board paid by the girls themselves.....	1 37

Their net earnings.....	1 89
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Average earnings in 1876.....	4 34
Board paid by the girls.....	2 10

Their net earnings.....	2 24
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THE CHAIRMAN. How much is the present rate of board—that of 1878?

MR. COFFIN. Two dollars and ten cents; that is what the girls pay.

THE CHAIRMAN. It is very low.

MR. COFFIN. Yes, sir. The quality of the board was probably better in 1878 than it was in 1838. Through the kindness of Col. Carroll D. Wright, of the Massachu-

sets statistical bureau, I am able to present the following statement compiled from his forthcoming report on the increase and decrease of wages in Massachusetts in 1878, as compared with 1860:

	<i>Per cent.</i>
Agricultural laborers, by the day.....	(increase) 38
Agricultural laborers, by the month.....	(increase) 15
Blacksmiths.....	(increase) 47
Book-binding, men.....	(increase) 17
Book-binding, women.....	(increase) 14
Boots and shoes.....	(increase) 26
Bread and crackers, men.....	(increase) 38
Bread and crackers, women.....	(increase) 13
Boxes, men.....	(increase) 3
Boxes, women and girls.....	(decrease) 12
Brick-makers.....	(increase) 12
Brushes, men.....	(increase) 9
Brushes, women.....	(decrease) 6
Brushes, boys.....	(increase) 25
Building trades.....	(increase) 16
Cabinet, men.....	(increase) 6
Cabinet, women.....	(increase) 16
Carpenter.....	(increase) 23
Carriages.....	(increase) 30
Clothing.....	(increase) 8
Cotton goods.....	(increase) 19
Dress-making.....	(increase) 19
Leather.....	(increase) 28
Linen.....	(increase) 20
Machinists.....	(increase) 27
Cutlery.....	(increase) 9
Soaps.....	(increase) 15

The CHAIRMAN. It is interesting to observe in your running through the table that the higher the grade of intelligence—so far as I can judge from your reading there—the greater is the increase of the rate.

Mr. COFFIN. Yes, sir; in most cases you will find that to be the rule.

Mr. COFFIN (resuming):

	<i>Per cent.</i>
Type.....	(increase) 16
Metals, fine work, jewelry.....	(increase) 25
Millinery.....	(increase) 23
Paints.....	(increase) 28
Paper.....	(increase) 41
Envelopes.....	(decrease) 11
Painting.....	(increase) 30
Ships.....	(decrease) 52
Silk.....	(increase) 45
Soap and candles.....	(increase) 13
Stone-cutters.....	(increase) 8
Tobacco.....	(increase) 22
Woolen goods.....	(increase) 33
Worsted goods.....	(increase) 22
Average.....	(increase) 24.4

The CHAIRMAN. In regard to the showing for paper, can you account for that?

Mr. COFFIN. I presume that in these figures the compiler may have included under that head not only the manufacture of paper, but the business of paper-hanging.

The CHAIRMAN. That is true; there may be the decorative part; I do not know what all may be in there.

Mr. COFFIN. I am also enabled, through the courtesy of Colonel Wright, to present a list of the average retail prices of articles of living for 1860, 1872, and 1878. I will not give them unless you desire to have them.

The CHAIRMAN. I was going to ask you what is the average rate of increase or decrease.

Mr. COFFIN. I will give you the average rate of a few of the articles in 1878 as compared with 1860. In the matter of groceries, the increase was 7 per cent.; provisions, 28 per cent.; fuel, 5 per cent.; in dry goods, a decrease of 9 per cent.; boots, increase of 18 per cent.; rents, increase of 25 per cent.; board, increase of 49 per cent. The average increase of the cost of living is  $14\frac{1}{2}$  per cent. I will run over a few of the articles that are given here in the table showing the average retail prices. These are as follows: Flour (superior and family), rye flour, corn-meal, codfish, rice, beans, tea, coffee, sugars,

molasses, soaps, starch, beef (rump steak), mutton, pork, ham, lard, mackerel, butter, cheese, potatoes, milk, eggs, coal, wood (hard and pine), shirtings, sheetings, canton-flannel, and so on.

The CHAIRMAN. He arrives at his average by dividing all those articles into the total amount, I suppose.

Mr. COFFIN. I do not know how the average has been obtained.

The CHAIRMAN. That would be the ordinary way of obtaining it; yet the staple articles alone ought to be the ones he would take in order to arrive at a decision on that point.

Mr. RICE. Do you think, Mr. Chairman, that the staple articles show an increase?

The CHAIRMAN. My experience is that such is not the fact. Indeed I may say that my own books show that at no time since the concern in which I am interested has existed have the prices of pork and flour been as low as they are to-day.

Mr. RICE. Those are the two things that enter most largely into daily consumption.

The CHAIRMAN. My conclusion is that pork and flour are cheaper now than they have been since 1861.

Mr. COFFIN. The figures given in this table for flour in 1861 are: In 1860, \$7.61; in 1872, \$10.75; in 1878, \$8.63.

The CHAIRMAN. Flour is rated very high there, it seems to me; but then he has possibly given the retail prices.

Mr. COFFIN. The "Haxall" flour is probably here given.

The CHAIRMAN. That flour is not in general use. That which we use at our works is the New York State superfine flour. It is a grade which we buy now at a little less than \$5 a barrel, and we buy pork at 8 cents a pound. It is incredible, but we are doing it.

Mr. COFFIN. From this exhibit we see that so far as labor in Massachusetts is concerned the increase of earnings since 1860 is 24.4 per cent, and the increase of expense 14.5 per cent.; this on a basis of sixty hours per week against seventy-six and one-half hours per week in 1860.

The CHAIRMAN suggested the propriety of some such revision of the figures just read as would show more definitely the facts which they purported to substantiate. As a case in point, he referred to the matter of sugar, upon which in 1860 there was a very low tariff, while now we have a very high tariff; the effect of this upon the price and necessarily upon the expense of living to the workingman, being one of the points which required more explicit demonstration.

Mr. COFFIN. I concur fully in the suggestion.

The showing here given is based upon sixty hours per week as against seventy-six and a half hours in 1860.

In this connection I give a statement taken from the Charleston News and Courier of January 8, in regard to prices in that city and the effect of resumption. It is as follows: "The United States is now standing on a gold basis, and every transaction measured by that. To this the country has been tending for three or four years. On January 1, 1878, in Charleston, a pound of bacon, a pound of lard, a bushel of corn, a pound of sugar, a gallon of molasses, a pound of coffee, a bushel of salt, a pound of rice, and a barrel of flour, bought at wholesale prices, cost altogether \$7.31. These same things can be bought to-day for \$5.55. The reduction is 21 per cent. That is, every dollar now earned goes as far in buying necessities of life as a dollar and a quarter went a year ago. Wherever wages have not been reduced since last January, they who earn them are really getting a fourth as much more as they were getting then."

Referring again to New England, we find that in 1845 farm hands received ten dollars per month, with board in summer, and lived in enforced idleness in winter. In 1878 they received from sixteen dollars to eighteen dollars per month, with board, though they had not, probably, much more to do in the winter season now than they had in 1845.

Mr. RICE. In many sections they are kept working in the winter upon the bottoming of chairs and in many other kinds of labor sent out from the factories. The shoe business also is carried on more extensively in the winter than in the summer.

Mr. COFFIN. The shoe business is spasmodic. The hands have more work in the winter than in the summer, as a rule, I think.

I wish to call attention to the fact that no farmer, East or West, could now afford to pay to a laborer who can only use his muscles even such wages as he could afford to pay in 1845. The crop would cost too much to export, too much to be freely used at home. In point of fact he does pay more wages per day, which shows that the demand for labor has not fallen off; he raises each bushel of grain at a less cost for labor. Machinery enables him to reconcile these two conditions.

The complaints of distress that reach this committee come from laborers; but there is another class in the community who have not asked for relief, whose distress is quite as great as that of those who ask that the government shall give them employment. I refer to that large class, made up in a great degree of women, who have seen

their accumulated earnings swept away by courts of insolvency or openly repudiated by sovereign States. It is hard to conceive of any condition more unfortunate than that of the men and women who, without any fault of their own, relying on the protection given by law to depositors in trust companies and savings banks, find that the laws are powerless to protect them from the losses inflicted upon them; of those who, with implicit confidence in the pledges of municipalities, find that they have no redress upon default of payment; and of those who, relying upon the honor and integrity of sovereign States, upon the guarantees of legislatures, the signatures of governors and treasurers, discover ultimately that State honor is but a synonym for repudiation.

Mr. RICE. You are referring now to that class of people who have accumulated a little money.

Mr. COFFIN. Yes, sir; I am referring to those who have saved a little. The reason why I introduce it is that, while one class complains of distress, there is another class which, it seems to me, are equally distressed, from whom I have not heard any complaint.

Mr. RICE. They make complaints also.

Mr. COFFIN. They have not made their complaints to this committee, I presume.

The CHAIRMAN. We have complaints from all quarters. But I think we have not had brought before us in a tabulated form the evil caused by the enormous accumulation of corporation and State debts; that is to say, the exactions which such debts make upon incomes, especially fixed incomes, in order to meet the taxes levied thereon. I do not think that that has been brought out as it ought to have been.

Mr. COFFIN (resuming). What is the result? Capital folds its arms and waits, while labor, with nothing to live upon, looks in vain for remunerative employment.

The CHAIRMAN. Your whole argument up to this point has been to show that there has been more occupation and employment for labor latterly than ever before, has it not?

Mr. COFFIN. Yes, sir; not, of course, taking any one year, but a series of years or an average year. But capital does not go into new enterprises. It simply goes on in its old enterprises at a slow rate. I think you will find very few new enterprises starting.

The CHAIRMAN. You mean to say that there is an indisposition to invest in new directions.

Mr. COFFIN. Yes, sir.

The CHAIRMAN. We admit that.

Mr. COFFIN (resuming). Let me call your attention to the fact that repudiation by States and municipalities is a boomerang, which comes back to inflict a blow upon labor; and that nothing can be more detrimental to the interests of labor than to make capital insecure. Now, Mr. Chairman, what has been made manifest by this review? It seems to me that the apparent results may be summed up under the following heads:

First. That the earnings of to-day are from 40 to 60 per cent. greater than they were in 1830, and 24 per cent. greater than in 1860.

Second. That the cost of living in 1878 is but 14 per cent. in excess of what it was in 1860.

Third. That the *havings* of to-day are immeasurably greater than the *havings* of 1830, and far greater than in 1860.

Fourth. That the mass of the people are better fed, clothed, housed, and in possession of more of the comforts of life than at any other period of the world's history.

Fifth. That this change has been brought about by the development of the forces of nature through discovery, invention, the use of machinery, and the harmonious working of capital and labor.

Sixth. That capital and labor, instead of being antagonized, are naturally helpful to each other; and that any conflict between them is brought about by elements that are beyond the control of either acting separately.

Seventh. That there are four such elements: discovery, invention, fashion, destruction.

Eighth. That there must be an equalization between production, distribution, and consumption.

Ninth. That at present the facilities for production are far greater than our facilities for distribution.

The CHAIRMAN. What do you mean by "distribution"—the distribution of the commodities or the distribution of the proceeds of labor?

Mr. COFFIN. I mean the distribution of commodities.

The CHAIRMAN. Do you mean to say that we cannot distribute our commodities as rapidly as we can produce them?

Mr. COFFIN. I mean that we cannot reach a large enough area; I mean that the depression of to-day, the stagnation of business, is for want of a market.

The CHAIRMAN. That is one thing, and whether the people have the ability to buy is another. But you allege a want of facilities of distribution, and I was going to ask you, Have we not railroads enough to-day; have we not an ocean and ships enough?

Mr. COFFIN. I do not think I have made clear the point that I wished to present. It was this, that there is a world outside of our own country which we have not reached yet, and that our facilities for distribution do not enable us to reach that.

The CHAIRMAN. Let us see whether our facilities of distribution do not enable us to reach it. Have we not an ocean?

Mr. COFFIN. Yes, sir.

The CHAIRMAN. Is there any trouble in getting ships to go to foreign ports?

Mr. COFFIN. A good deal of trouble to reach some ports.

The CHAIRMAN. What is it.

Mr. COFFIN. It arises, in part, from the fact that steamships have superseded sailing-vessels, and we have no steam marine.

The CHAIRMAN. Do you not know that our ports are open; that all the shipping required is in existence, and is to-day lying idle for the want of business? The ocean lines are anxiously looking for freight, but we cannot adequately supply them with business.

Mr. COFFIN. We can find steamships enough to ply between this country and England, but I will bring up in reply the argument which has been frequently made in advocacy of a steamship line to Brazil. English steamers will take a cargo of goods from Liverpool to Brazil, a cargo of coffee from Brazil to New Orleans, a cargo of cotton from that port to Liverpool, but on no account will they take a cargo of American products back to Brazil, even at higher rates than to Liverpool, for upon the whole it is not for their interest.

The CHAIRMAN. Your answer does not meet the point. The reason why a line has not been established is that there are not freights enough for it.

Mr. RICE. Assuming that the freight at this end would be sufficient to meet probable requirements, the question would be what profitable disposition could be made of the freight when it reached the other end.

The CHAIRMAN. There was no market there for our goods, for the reason that our own were undersold in the market there by British goods; and the reason was perfectly obvious in the fact that we taxed our raw material and then carried the product to Brazil to compete there with a nation which did not impose a tax on raw materials. If, therefore, you refer to the abolition of our shipping as one evidence of a lack of facilities of distribution, you are in error. When you say it is because of the want of a market, I agree with you. If you will point me to any agency of distribution that is defective, I will be glad to agree with you as to that.

Mr. COFFIN. The question of tariff and free trade is so wide, that you can hardly expect me to enter upon it in this connection; but the fact remains that, from some cause, we do not have a foreign market for our products. What I wish to say is that the American manufacturer has not such facilities for distribution as his competitor across the Atlantic. The British Government, by its system of ocean postal service, reaches every country with its steamers, giving constant facilities to the merchant and manufacturer. The American manufacturer has no such facilities for distribution, and I do not see how he can find a market. England aids her manufacturers through her postal service. Our government does nothing of the sort. But I think that is not the only, perhaps not the greatest, difficulty. To go no further, there are consumers unsupplied in every house in Mexico and South America. The manufacturers of this country are capable of producing enough to supply them. So far as cost of manufacture is concerned no one can do it more cheaply. Mechanical skill has furnished and is ready to furnish every physical appliance for communication and transportation. It is the business of the merchant to place that product at that consumer's house, and he does not do it. Whether it is because he lacks skill and enterprise or because the laws are unfavorable to trade I will not discuss. It is enough to say that the fault does not rest with the manufacturer or the machine builder. It is the same with regard to internal commerce. The cost of manufacture is, in general, very small as compared with the increase of price that comes in between the factory and the consumer. We must find some way of improving this wasteful and, therefore, imperfect method of distribution.

Tenth. I state, as the tenth in order of the series of results shown, that the laws of progress will ever require a readjustment of labor; that discovery, invention, and fashion will ever force men to abandon their old and seek new occupations.

Eleventh. That every advance in inventions will demand a higher degree of intelligence, requiring a higher education.

Twelfth. That men must accommodate themselves to the laws of progress or be crushed by them. Let me not be misunderstood on this point. The laws which underlie progress are physical. No legislative enactment can alter, amend, or stop their working, and any attempt to accomplish such an end by any such means would be as futile as would be that of attempting to protect from injury a man who happens to stand in the way of the thunderbolt. I assert with emphasis, that under these laws labor will ever be compelled to seek new employment and that capital will ever see itself annihilated.

Under the new civilization there has been a higher plane of living. We are not content now with what satisfied us in former days. There has been also a development of humanitarian sentiment. Man is more than an animal: he must do more than simply exist. I am glad that it is so. I am glad that men in the lower strata of society are not satisfied with things as they are, but are reaching out after something higher and better. The idea that men must have more than bare existence has so permeated society that penal, reformatory, and charitable institutions now have comforts that were unheard of a half century ago. Mr. Bonamy Price\* states that it has been officially announced that the present cost of maintaining one thousand paupers in London is five times greater than it was in 1815: The British blue-book shows the advance made since 1863. In the table already given we saw that the total number of persons relieved in England in 1863 was 1,142,624, at a cost of £6,527,036. That was at the rate of \$28.50 per individual, reckoning \$5 to the pound; whereas in 1875 the number relieved was 742,703, at a cost of £7,400,966, at the rate of \$49.50. In Scotland the number relieved in 1863 was 120,284, at a cost of \$30.55 per person; while in 1876 the number was 96,404, at a cost of \$44.60 per person. In Ireland in 1863 the number relieved was 66,228, at a cost of \$52.90 per person; while in 1876 the number relieved was 85,330, at a cost of \$65.11 per individual.

It is evident that the differences do not arise from any corresponding increase in the price of provisions; and I think it is equally clear that they do arise from the increase of articles now regarded as necessary to human comfort.

We have seen the bank circulation increased from \$5.77 per individual in 1830 to \$18.14 in 1874. With increase of production there was increase of consumption. We issued promises to pay, and purchased our carriages and pianos and pictures, and went on till prudence became improvidence. We took it for granted that things were to go on just as they were going. We became extravagant in everything; rich and poor alike lived up to and beyond their means. To-day we are compelled to study economy, to deny ourselves things that we formerly enjoyed, and hence the widespread restlessness and discontent, and hence the appeal to Congress to give employment to the unemployed.

I need not enter upon the question of the power of Congress in the premises. I have only this to say in connection, that any restriction of the hours of labor; the removal of the poor of the cities to farms; the construction of public works that are not needed will not give any permanent relief. If the government has works that need to be carried on, very well, let them go on; but it is just as wise to employ men to remain idle as it is to employ them to do that which we do not need. In any case the tax-payers must foot the bill.

The CHAIRMAN. Suppose that in a community there are many families who do not want to be idle and would be glad to work on the Western farms, who can find no employment here at their own business, and want to go to the West—do you not think it would be advantageous to the nation if those people could be transferred from the place in which there is no work to a place where there is work?

Mr. COFFIN. I do, but I do not think it is the province of the government to do that.

The CHAIRMAN. Do you mean to say that the government should not do it because the question is a difficult one, or that we should not do it on *politico-economic* grounds?

Mr. COFFIN. I think it is a question of political economy.

The CHAIRMAN. Do you know that there have been and are at this time governmental colonization schemes, such as this one, in operation?

Mr. COFFIN. Other nations have put the principle in operation, but, in so doing, they have assumed to be paternal. Our own government is founded upon a principle the reverse of that idea; this is a government of the people.

The CHAIRMAN referred, by way of illustration, to the Canadian policy in offering inducements for immigration, the effect of which was apparent to-day in taking from Great Britain her surplus population. He knew of no moral principle which would prevent a nation encumbered with too many bees in a hive from assisting, out of the accumulated property which all had gathered together, those of its people who were willing and desirous to cultivate new lands and make new homes within its borders. The question of constitutional power in the case of our own government was quite another consideration, but, with reference alone to the abstract principle involved, he failed to see why the people of a nation could not be assisted in this way when, otherwise, they would be compelled to stay at home unable to produce an equivalent for that which they consumed.

Mr. COFFIN. I think that any such scheme, if carried out, should be through that humane sentiment of the community, which manifests itself in voluntary contributions and diffuses among men a spirit of brotherhood.

The CHAIRMAN. I understand you to say that it would be better to have it left to individual action rather than to the government, because in the hands of the latter it would not be an economical or wise mode of doing it.

Mr. COFFIN. I think it would not be a wise mode of doing it.

The CHAIRMAN. But you do not object to its being done?

Mr. COFFIN. Not at all. Under a monarchical form of government it might commend itself most forcibly.

The CHAIRMAN remarked that if the necessities of the government were such as to require a prompt decision, he inclined to the opinion that he would not be influenced by any consideration as to whether the government was that of a monarchy or a government of the people; that if individual action proved itself inadequate to meet the case, he would have the government assume the responsibility, and would deal with the evil without hesitation, just as a surgeon would with a disease which required to be wholly eradicated.

Mr. COFFIN. I have only a few suggestions to make. I wish to say that I have no fears for the future of American industry. I entertain a profound conviction that America is about to enter upon a career of unparalleled prosperity.

The CHAIRMAN. I wish you would make that point clear, because I have been criticised rather freely for expressing a similar opinion in New York a few months ago.

Mr. COFFIN. I will endeavor to do so briefly. In the first place, America possesses all the primal conditions to this end in a degree not enjoyed by any other nation. We have a continent to ourselves, whereas Great Britain has a less area than the States of Illinois and Iowa. We have every variety of soil and climate, with capacity to produce breadstuffs far beyond our own wants. We have unparalleled resources in the forces and materials of nature, in our rivers, and exhaustless beds of coal and iron. Under the fostering care of our fathers we have encouragement to make iron and steel, steam and water do the work of human hands far beyond encouragements given by any other government; for this country stimulates invention by its patent laws, securing to the patentee the exclusive right to his invention for a term of years on payment of \$30, whereas in England it used to cost nearly \$1,000 to secure a patent. What is the result? In this country the number of patents taken out aggregates about thirteen thousand per annum against about four thousand in England. We have an army of inventors. The result was seen at Paris last summer, where the United States stood at the head in useful inventions.

Through the superiority of our inventions we are beginning to secure an export trade, which, though at present is not very large, is continually increasing and promises to have a very great development. It is not confined to one department of industry, but applies to all.

The CHAIRMAN. What is to prevent the prompt introduction of improved machinery into the other countries who are the rivals of this country? They have heretofore been slow to take advantage of their opportunities in that respect, I admit, but the indications are that they are now doing so very rapidly.

Mr. COFFIN. I will answer that by narrating a fact within my knowledge. Year before last, one of the largest boot and shoe manufacturers in Switzerland, after visiting the Centennial Exhibition and seeing our boot and shoe machinery, obtained a full set of the machinery and took it to Switzerland. He found when he got the machines over there that his own workmen could not make use of them, and he was forced to send over to America to procure American workmen.

The CHAIRMAN. But how long is that condition of things likely to continue? It is only a question of a generation, I take it, as to when the people there shall have acquired the facility of managing American machinery. The Swiss make watches of the finest and most intricate patterns, and they certainly can learn to make a shoe.

Mr. COFFIN. We can go ahead faster than they can follow. The copyist cannot surpass the thing copied. Improvements that do not form part of a progress of indigenous origin, improvements adopted from abroad and not continually fed from home invention may make a nation second, but cannot make it first. An art may be brought from abroad, and that is the theory on which protective tariffs rest, but it cannot flourish until it has so become part of our life as to get its growth from within.

The CHAIRMAN. But, as I have said, the question is only one as to the length of time necessary to acquaint them with the processes which at first are necessarily novel and difficult to them. Take, for instance, the thousand little inventions, such as "Yankee notions," that are produced out of steel. What is to prevent the English, for instance, from doing just what we have been doing?

Mr. COFFIN. There is nothing to prevent them, but there are conditions which give this country the pre-eminence: First, there are our physical conditions. For instance, in the matter of coal, we find it in this country widely distributed, and by that means we are enabled to start manufactoryes all over the continent. It lies convenient of access for that purpose.

The CHAIRMAN. Are we any more fortunately situated in that respect as compared with England?

Mr. COFFIN. Yes, sir. We do not have to raise it from so low a level; we can produce our coal cheaper.

The CHAIRMAN. That depends upon where you go to procure your coal.

MR. COFFIN. From some mines we can procure it cheaper; in the mines around Chattanooga, for instance.

THE CHAIRMAN. There you get the bituminous coal at a low price; but that is very far in the interior; and, in point of convenience of access to the seaboard, I do not see what advantage it has over the Welsh coals, which are produced as cheaply as any coal in America.

MR. COFFIN. Then we have exhaustless quantities of iron; but I will not enter into that matter. I will take cotton as better illustrating the point. To-day, I suppose, about 2 per cent. of the cotton lands of the country are under cultivation. By the report of the commission of Parliament, made, I think, in 1873 (and which is found in the Parliamentary reports), the statement is made, in regard to the cotton supply, that at least 60 per cent. of the raw material of Great Britain must ever come from the United States. Last year the amount was 67 per cent., and the yearly aggregate has been constantly increasing. It has been shown by our manufacturers that it costs about five dollars to take a bale of cotton from a cotton-field in the South and place it in England. I look forward to the time when, in the South as well as in New England, there will be a large development of cotton manufactures, especially of the coarser qualities of the goods and cotton-yarn. Of those who buy cotton cloths, the average in the market of the world to-day is about twenty yards for an individual.

THE CHAIRMAN. For the whole world?

MR. COFFIN. That is the average among those who purchase; about twenty yards per annum would be required for each individual. It is stated that not more than five hundred million of the people on the globe are now using machine-made cotton. Those engaged in manufacturing confidently expect that the time is not far distant when at least one thousand millions will use cotton cloth in some form. There is no other fiber that can compare with it in cheapness. The consumption increases both in civilized and uncivilized lands. England now has nearly all the foreign trade in her hands.

The exports of cotton manufactures in 1876 were as follows:

		Value.
Yarns and twist.....	Pounds.. 232, 254, 627	£12, 781, 733
Piece goods.....	Yards.. 2, 667, 423, 176	157, 271, 400
Printed goods.....	Yards.. 990, 147, 278	92, 272, 310
Cotton thread.....	Pounds.. 9, 635, 363	1, 763, 546
Cotton stockings.....	Doz. pairs.. 1, 105, 666	364, 054
Mixed goods, chiefly cotton.....	Yards.. 11, 833, 900	429, 405

In contrast, our own export was equivalent to only about 76,000,000 yards.

It is a well-known fact that American cotton goods are superior in their make to the English; that English manufacturers are using American trade-marks; that English manufacturers have carried "sizing," to an extent which has become prejudicial; that their excuse is that they cannot compete with American manufacturers in the making of substantial goods. It seems to me morally certain that we shall take a portion of the present trade of England from her hands, and that we shall secure our fair share of the increase.

On the other side of the globe, in China and the other countries, there is a population variously estimated at from two hundred and fifty to four hundred and fifty millions. Before the war in 1860, for instance, our exports to China were about four million yards. England sent out to China in the same year about thirty-three thousand pieces of goods (the number of yards has not been stated), and our export was larger than that of England. The war swept that trade entirely away. Last year we sent out to China eleven millions of yards and England sent out three hundred and seventy-eight millions of yards. That is the beginning of a volume of consumption which has yet to develop itself in China. That is a trade which it is possible for the American manufacturer to obtain wholly.

THE CHAIRMAN. Do you know the rate of wages for workingmen in China?

MR. COFFIN. I have not the data, but I know it is very low. I know from personal observation that a very large number of people procure but a bare existence.

THE CHAIRMAN was understood to remark that on the plains in China the rate (measured by the money of the United States) was a little over two cents a day. [To Mr. Coffin.] Do you know anything about the facility with which the Chinese workmen learn to do anything that our people do?

MR. COFFIN. Yes, sir. They are exceedingly imitative.

THE CHAIRMAN. Do you not foresee that when the demand of the Chinese for cotton goods has been largely increased they will utilize their facilities for the manufacture of cotton?

MR. COFFIN. I do not.

THE CHAIRMAN. Why not?

MR. COFFIN. Because they have not the land for the purpose.

THE CHAIRMAN. What would be the cost of freight to China on a bale of cotton goods?

MR. COFFIN. I do not know that the freight on a bale of cotton would be much less than that upon an equal weight of cotton goods.

THE CHAIRMAN. Suppose, then, that when we were about to send them our goods the Chinese would say, "We will not take the goods; we will take the cotton itself"; would not the result be that they would take the cotton and make the goods for less money than they would pay to get the cotton?

MR. COFFIN. I do not think that capital would ever go to China to make Chinese manufactures.

THE CHAIRMAN. Will not capital go where it can make the most money?

MR. COFFIN. I admit that it will go where it can make the most money and get it home safely.

THE CHAIRMAN here remarked that in a letter recently received by a friend of his from Mr. Hague, the geologist, now engaged in China in surveying, the statement was made by that gentleman that he had found on the banks of a navigable river a bed of coal and iron ore of the very best quality, where labor was abundant at two cents a day, where the people are a strong, stalwart race, capable of doing good work, and that there was no difficulty whatever in producing pig-iron at four dollars a ton in our money. Under these circumstances he (the Chairman) was more apprehensive of danger than sanguine of any possibility of good to us from the demand that was likely to come from the direction indicated; for when the market in China was once opened we would be confronted with four hundred millions of people who could live at a cost of one-tenth of that paid by our own people, and who were quite as capable and intelligent as our own. We saw there a race of people who had learned to live upon so much less and learned to do so much more, comparatively with our own people, and where all the conditions for the manufacture of raw material were as favorable or more favorable than they were in any other place in the world.

MR. COFFIN. That is, of the raw material on hand.

THE CHAIRMAN. No; but of the raw material that may be imported. The difference in freight is so small that a bale of cotton could go, I believe, at as low a rate as could a bale of goods; and if that is the case, there is nothing to prevent the Chinese from working up the raw material which they have purchased from you and competing with you in the sale of your domestic manufactures.

MR. JONES. Nevertheless, Mr. Chairman, we would get the value of the bale of cotton.

MR. RICE. You will sell the cotton, but we will not make the cloth.

MR. JONES. Then so far as the interests of the South alone are concerned we would be benefited in securing a new market for our cotton.

THE CHAIRMAN. Of course you of the South would not be injured; but I want to know where we, who make the cloth, are to come out.

MR. COFFIN. I think it will be a long time before we are called upon to compete with the Chinese in cotton manufactures. They are imitative, but not progressive.

THE CHAIRMAN. It may be a long time coming, but it may come.

MR. COFFIN. There is one element in connection with the subject of progress in China to which I would like to allude here. The Chinese religion is a barrier to progress. You go to China and you find it a vast graveyard. The resting places of the dead in that country are kept with reverential care. The people worship their ancestors, and they entertain the belief that their ancestors in the spirit world need the same things there that they needed when they were in this world. You will find, as you go along the streets, day by day, baskets hung out on the fronts of the houses as receptacles in which the people place their offerings for the benefit of the departed. They fashion their gifts after such patterns as will be most likely to indicate the particular employment which was followed by the departed in this life. They are made of paper, and may be a boat, may be a hoe, or any other implement; may be an article of clothing. These offerings are finally all gathered together and burned, and the popular belief is, of course, that with the burning they go into the spirit-world and the spirits have the benefit of them. Then, again, a Chinaman, before sitting down to his table to dinner, takes his food into the ancestral hall (in which tablets are arranged around in commemoration of his ancestors), and there he offers his prayers, burns his joss-sticks, and implores his ancestors to partake of the food. He believes that if he neglects any of these devotions his ancestors will punish him through reverses in his business or in other ways. My own belief is that so long as China in its religion is wedded to these superstitions, it will make but little progress in the way of adapting itself to modern improvements. I remember that when I was in that country, on one occasion, I went with a gentleman through the city of Shanghai, and that when we came to the north gate we passed through and came to a wall built almost directly across the highway. We were obliged to pass around and get behind this wall in order to proceed. I asked my companion what was the meaning of that wall, supposing it was intended for a defense, though it was very curiously constructed. He explained that the wall was the Fung Shuey (the meaning of which is good and bad influences), and that it was erected to prevent the bad spirits coming from the north from going any farther. It was popularly supposed that those bad spirits always came from the north, and that they

always came in a straight line; that they could not turn at a right angle, and that therefore this wall stopped their farther progress. He informed me that almost the entire litigation arising in China was because of this Fung Shuey. If a man built a house which would keep out from his neighbor the good influences which came from the south, or which would admit the bad influences coming from the north, his neighbor would go to law about it. That is the reason why the telegraph line was cut down between Woosung and Shanghai; it interfered with the Fung Shuey. The reason why the railroads cannot come in there is because it is supposed that their influence disturbs the graves of the dead, and that the effect of their introduction will be to bring disaster, trouble, and sickness to the whole country. My friend informed me that the opposition to railroads was predicated upon the belief that they would disturb the entire religious sentiment of the empire.

The CHAIRMAN. Suppose, Mr. Coffin, you were carried back to the middle ages in Europe (which have been appropriately called "the dark ages"), when there was but one church—you know what the influence of the church is supposed to have been—when all progress is supposed to have ceased for a thousand years. Is there anything in the tone of the Chinese polity that is any more repressive of progressive influences than was the domination of the church then?

Mr. COFFIN. It is not merely the Chinese polity; it is the character of the Chinese people. They are more cultivated, more civilized in a material sense, than the western Europeans of A. D. 1000; but they have not that spirit which led to the crusades and which covered the land with cathedrals. The church repressed an active spirit which finally overcame it. In China the obstacle to progress is in the people and not in the government. But if we have two hundred to look forward to, that is enough. I can hardly compare the two epochs and people enough to give a precise opinion.

The CHAIRMAN. Yet it is a matter upon which we may readily base an opinion. Why may not a new era in religion be introduced into China with the new forces that accompany such modern appliances as railroads and telegraphs? To a man looking back from the standpoint of to-day, the prospect would certainly appear a very hopeless one that Europe would ever emerge from the obscurity of the middle ages; yet the world has come out of it very bravely.

Mr. COFFIN. I suppose that China will, eventually, come out of her religious darkness, but I do not expect to see it in my own lifetime.

The CHAIRMAN. A lifetime is comparatively a short period. Of course we are all looking ahead to the prospect of such a result. I agree with you that this country will get rid of her present difficulties at an early date. There is more labor unoccupied to-day than there was when the panic came upon us, but its presence is not so apparent, because the country has grown, and the necessities which are incidental to its expansion have given employment to additional labor; consequently, there is not so large a surplus of unemployed labor as there was at that time. The difficulty is but a temporary one; but, in looking ahead, I appreciate the fact that all the world has yet to face this fact, that population will finally grow up to the limit of the means of subsistence. That is the tendency. The reasons presented to this committee by the reformers, the gentlemen who have presented grievances here, are that there has not been a proper distribution of the fruits of human industry; that some men can get too much and others, quite as deserving, get none at all. That is the problem which they present to us. If you can throw any light upon that, as you have reached the end of your lucid statement, you will be conferring a benefit upon the committee, and upon the country as well, and we would be glad to hear any suggestions that may occur to you at this time on that point.

Mr. COFFIN. The condition that you have indicated has always been the condition of the human race. There always have been rich people and poor people, and there always will be. Some men can make money and some cannot. All who have the ability to earn have not the ability to accumulate. It is a question of natural condition. No legislative action ever will change those conditions. When the Saviour of the world said "the poor ye have with you always, and when ye will ye may do them good," he uttered an eternal truth. I do not see how there can ever be a complete solution of the question. I mean by that, I do not see how it is possible for society to exist without a difference in condition, but I fully believe that as the years roll on wealth will be more generally diffused, that the poor will be better cared for and will have more of the comforts of life. I think that I have shown that the tendency of the new civilization is in that direction. The moral and Christian sentiment of the world lead in that direction, but Christian and moral sentiment cannot set aside the physical conditions under which the Almighty has created human beings, nor the physical laws with which he has surrounded them. Many things can be done to reduce poverty to a minimum. Education may be an aid; so may charity, temperance, and legislative enactment; but all of them never will absolutely abolish poverty from the world, for there are conditions and influences beyond the control of all these ameliorative agencies that will make some men rich and others poor.

The CHAIRMAN. Suppose that when monopolies tend to give those who control them

a larger price than they would otherwise be able to get, legislation, you say, cannot alter that. If we have a monopoly in any form disguised in our legislation, ought we not to eradicate it at once?

Mr. COFFIN. That is another and quite a different point. It is the duty of the legislator to protect every man in his rights, to see that no man who may hold a monopoly shall have the power to oppress you or any other man in his natural rights.

The CHAIRMAN. Yes; but that is only groping in the dark after all. What is law and legislation but the restriction of people, in what may be called their natural rights? The natural rights of one man interfere with the natural rights of another man. Mr. Rice and I may go into and settle upon some unoccupied territory, and each may lay claim to a particular tract that is more desirable than any other tract because of the presence of water or something else. We get to fighting about our claim, and the law steps in or society steps in and establishes a rule by which his natural right and my natural right are subordinated to some general law. Therefore, when you say that no man can interfere with your natural rights, I answer that every man can interfere with your natural rights under the law.

Mr. COFFIN. Take the case of the railroads, for instance.

The CHAIRMAN. We will take the case of the railroads as you suggest. The allegation is that by legislation we have conferred large quantities of land upon railroad companies; that they have monopolized these lands and excluded settlements which would otherwise have been made upon them by holding the land at high prices; that what they have done is hostile to the natural rights of man; that this legislation is so vicious that we ought to repeal it; and that if they (the railroad companies) have acquired any rights under it they ought to be more specifically defined. On the other hand, if this legislation had not been passed, and this land conferred as it was, we should still have had this vast amount of land tied up in its unimproved and comparatively worthless state, as it was before. What would you do in that case?

Mr. COFFIN. There is another side to the question as you have stated it. There is a vast amount of land in this country, which, if those railroads had not been constructed, would not have been settled to-day. Take the Northern Pacific, for instance. I was one of a party who traversed the line of that road before a shovelful of earth had been thrown up. At that time there were not fifty individuals to be found along the whole proposed route, and the land was in exactly the condition in which nature left it. The men who built that road have increased the value of that land to the government to \$2.50 per acre, and the government has received, I think, from the land offices along the line of that road nearly three millions of dollars. It was utterly worthless prior to the time when the projectors of that road, by their own individual enterprise and the use of their money, carried it forward to its present stage of completion. The question presents itself to us whether these men who are regarded to-day as monopolists and land-grabbers are not really benefactors. They have given value to the land; they have given homes to more than fifty thousand people who live along the line of that road to-day; and they sent over to Europe during the past year over five million bushels of grain which would not have been produced but for the enterprise of the men who built the road. They have lost their capital, while the public has been greatly benefited. They are denounced as land-grabbers, whereas in fact they have opened a vast section to settlement and added millions to the national wealth. Instead of excluding settlements they have invited settlers. It is not true that they hold lands at high rates. Sales of the land-grant roads average between four and five dollars per acre, which certainly is not a high rate.

The CHAIRMAN. Yes; that is the argument of the men who have built up some of our great public works, and is applied with reference to the operation of the tariff. We are met on the other side by crowds of people who say to us that "With all your protection, all your land grants, we are in a wretched plight; before you did this everybody was comfortable, now we are suffering: you do not give us any consolation by telling us that somebody else is better off than he ought to be." What are you going to do in the case of those people?

Mr. COFFIN. I do not think that I will take up the questions of tariff and free trade, but I would say to these people that they are not any worse off than they have been at other periods of commercial depression; that such periods will occur in the future as they have in the past; that they are incident to civilization; that legislative action never will be able to wholly prevent their occurrence: that the legislative action that they ask for would give no permanent relief.

There are two or three points to which I have not alluded, but I will do so now as they touch upon the point which you have just suggested. I refer to disturbing elements. The production of gold and silver in this country since 1849 amounts to \$4,500,000,000. That has been one disturbing element.

The CHAIRMAN. Do you mean as a benefit or an injury?

Mr. COFFIN. I am not prepared to make any remark upon that, only that it has been a disturbing element.

**THE CHAIRMAN.** You call it a "disturbing element," but I ask you has the effect of its disturbance been for good or for evil?

**MR. COFFIN.** It has disturbed values; it has had both a beneficial and an injurious effect upon them.

**THE CHAIRMAN.** Its effect would be to enhance values, would it not?

**MR. COFFIN.** Yes, sir.

**THE CHAIRMAN.** Yet you have been endeavoring to prove to us all along that values are falling off?

**MR. COFFIN.** Not quite, sir. Certain particular values have fallen off, because the cost of production has diminished, or because certain things have gone out of use. But wealth has accumulated. Labor has a higher value and will bring more comforts than a hundred years ago. But I have not yet shown the applicability of this point in connection with my previous argument. I was going to remark that when I visited India a few years ago, I found that the cost of living was greater than it had been; and it is greater to-day than then. The same is true of China. Then the next consideration is that this great increase of the precious metals has been productive of speculation. The speculation in mining stocks which is going on to-day, on the Pacific coast, is the cause of a great deal of distress. The disturbing element manifests itself especially in that direction.

The Suez Canal is another disturbing element. Free labor is another. The amount of capital invested in the South before the war for raising one hundred bales of cotton was as great as that which is to-day invested for the raising of one thousand bales.

**THE CHAIRMAN.** There never was in reality any capital in the slave; the war left the laborer in the South just where he was, and his master who thought that he had capital in his slave, found that he had never had any capital.

**MR. COFFIN.** Then the petroleum product was another disturbing element. These brought on inflation. The war and the issue of paper money also came in as disturbing elements. Now, it is not probable that these same elements or anything like them will come in to disturb us in our immediate future. Therefore, I say that I look for a remarkable degree of prosperity in this country. I do not see how it is possible for the country the next twenty-five or fifty years to be disturbed by any causes such as those I have enumerated.

**THE CHAIRMAN.** You think, then, that in a normal condition of things the distribution of labor and capital becomes well settled and will be harmoniously adjusted; that in the near future everything will go on smoothly and in proper relation, the one to the other, this being what you call a prosperous condition of the community?

**MR. COFFIN.** Yes, sir.

**THE CHAIRMAN.** And that when a disturbing element enters in dislocation ensues, which while it makes some people rich makes others poor?

**MR. COFFIN.** That is the inevitable result.

**THE CHAIRMAN.** Could not legislation contribute greatly to remove these disturbing causes?

**MR. COFFIN.** I think so.

**THE CHAIRMAN.** Could not legislation contribute to prevent these disturbing causes?

**MR. COFFIN.** I think not to prevent them.

**THE CHAIRMAN.** I admit that legislation cannot wholly prevent them, but can it not accomplish that object in some degree?

**MR. COFFIN.** Unquestionably; but it is a question which requires the highest statesmanship. I do not think that commercial distress in the future will be avoided by the adoption of any of the theories or plans that have been presented to this committee, so far as I understand them.

**THE CHAIRMAN.** One point of your testimony has been the proof that there has been an enormous increase in the productive power of the world within the last century; and you have shown it to be something so vast as to be simply fabulous. The world has been living after its fashion, and, as you have shown, has been growing in population at a moderate pace, while the increase of production has been enormous and very much out of proportion to the increase of population. What do you suppose has become of all this vast increase in the material wealth of the world—who has got it, where has it gone?

**MR. COFFIN.** Much has been destroyed. It has been more widely diffused; but allow me to state some of the questions that arise in the course of industrial progress, and tend to and relate to increase of production for each day's labor. As regards the man there are four kinds of progress. He may accomplish more in a day than formerly, because he has become intrinsically a more capable man; more intelligent in the use of his brains; more rapid in the use of his hands, making no false motions and causing every stroke to tell; or more industrious. Or he may accomplish more because the material conditions under which he works make his labor more productive; *i. e.*, many men are brought together under one head; they are better organized; their work is laid out for them, so that no time is lost; they become an organized army instead of an undisciplined mob. In the third place the material he works upon or the tools he works with may

be so improved that he can accomplish more in a day; and these tools may be hand-tools, as the plane, the saw, the center bit, the steel shovel, or hoe, or pitchfork, or scythe, or cradle, or plow, as compared with the rude stone implements and the crooked stick of the primitive man; or, fourth, they may be machine tools or machines, broadly (though not for all purposes precisely) distinguished from tools by the fact that the power, instead of being furnished by the hand that guides, is supplied from some other source, which may be a treadle or crank, and may be a steam-engine or water-wheel. (*E. g.*, the old blacksmith gave power to his hammer by his arm and directed his arm by his will. It is hardly a figure of speech to say of the Nasmyth steam-hammer that the boiler supplies the power and the hand of the engineer, raised one step in the scale, becomes itself the intelligence which controls.) The popular mind makes a distinction between those improvements of the three first kinds, which better utilize the muscular force of man, and those improvements of the fourth kind (including discoveries in chemistry and physics), by which the forces of nature are utilized. But for the purposes of this inquiry the distinction cannot be made, because greater intelligence, more skillful organizations of labor, and better tools are the result of or form part of the mental progress of civilization as much as the invention of machinery does; and it is probable that their results in greater product from a day's labor have been larger than the results from the use of machinery in the modern sense of the word. And although the phrase "labor-saving" is popularly applied to machinery alone it belongs equally to all four lines of progress. If the welfare of the community requires that all progress shall be stopped which will enable the worker to produce more to-morrow than he did yesterday, or enable a given product to be obtained by less labor, then progress not only on the fourth line, but equally on all must be forbidden. Civilization would not do this if it could, for it will not destroy itself; with man to stop is to rust, to recede. It could not if it would, for the mind of society cannot tie itself up in inaction; and if it once did it, it could not long stay in fetters of which itself kept the key. Since this tendency certainly cannot be (and I am sure that it ought not to be) repressed, let us see what questions arise in its progress.

During the last thousand years the production in the industrial arts in civilized countries has increased vastly faster than the population. The comforts and conveniences of life have vastly increased. In other words, each household has more and better material things to use and to consume than it had formerly; the increase in consumption has kept pace with the increase of production. I mean taking it in the long run. This is quite different from the question of increase of wealth. The large manufacturer of to day may not grow rich—may not accumulate—any faster than the master workman of five hundred years ago. The laborer, at the end of his career to-day may have laid up nothing, but it is a good deal that during his life he has lived in a wooden house with a carpet and decent furniture produced by the manufacturer instead of in a hovel with a dirt floor and logs to sit on. This increased production he has consumed. He has not destroyed it as a fire destroys; he has worn it out in enjoying it, and this is the fate of most things that are produced for the use of man. Increased consumption and production is therefore intrinsically a public benefit, even where the producer grows no richer. This is seldom denied. The outcry sometimes made against increased production refers to a production in excess of the consumption. This trouble does not come (necessarily) because production grows, but because consumption does not; and an increase in the latter is as legitimate a way of meeting the difficulty as a diminution of the former; more legitimate and more natural because it is in the direction of the invariable and irresistible progress of mankind and not in opposition to it; and improvements in society must take place along a natural line of progress and not contrary to the logic of events.

At any given time there are two methods of increasing production. One is to duplicate the producing establishments, making no change in their character; they will manufacture more, but at the same cost per piece. The other is, by some of the means already described to increase the production from a given number of operatives. The first has the apparent advantage of employing more labor, but is only an apparent advantage, for if the increase exceeds the natural growth of population and wealth, *i. e.*, if it increases faster than the number and means of the consumers, there will be failures, stoppages, and hands thrown out of employment. Historically this has been the case at the periods of great industrial depression. The high price of iron and consequent profits eight years ago led many men independently to put up new works, and when one found himself just ready to supply the unsatisfied demand, he discovered a dozen others equally ready, and this meant disaster for all, and the operatives just drawn to this industry were thrown out of work. And so with other branches. So with railroads. The impetus of apparent or real great demand showing itself in great profits carried the pendulum too far.

The other method is to increase the production of an establishment of a given size and given number of operatives by improvements in organization or machinery. This means larger production at the same cost for the total and a smaller cost per piece, *i. e.*, it means a cheaper product. Now a cheaper product always means a larger consump-

tion; partly because people will spend at least as much as they can afford, and if things are cheaper will buy more of the same kind, or with the surplus money will buy other things; it is not desire nor inability to find something desired which limits expenditure with mankind, but want of means. More than this, the cheaper a thing becomes the larger the circle of possible and therefore certain purchasers and consumers, and wants grow by indulgence. The tendency of this kind of increase in production therefore is, of itself, to increase the consumption which will support it and will maintain it. The improvements which lead to this increase do not, either in theory or in fact (the illustrations have been given at length already), tend to diminish the total cost of production, but only the cost per piece. The cost of transportation required by a population of 100,000 souls is to-day tenfold what it was 100 years ago. The railroad from New York to Washington costs for its construction and for its daily operation many times as much as the stage-team of fifty years since. But it will do much more work, *i. e.*, is so much more productive, that the cost of each passenger or ton of freight hauled one mile has amazingly diminished. Almost every railroad that is started occupies a field where the existing work of transportation would not pay the increased expense of the new method, but it is projected upon the theory that the diminished cost per piece, so to speak, will increase the demand so as not only to compensate for that diminution in cost, but to far increase it; will lead the inhabitants not only to spend as much but a great deal more in transportation than before.

So much for the effect of improvements in existing industries. But besides that the same disposition to invent and improve leads to new industries. Sometimes strictly new industries, as in the case of printing, vulcanized rubber, photography, telegraphy, gas-making, steam transportation, and a host of other things; sometimes virtually new industries are made commercially practicable by a reduction in cost of some necessary thing or process. Many branches of trade and business to-day would be impossible without steam transportation and telegraphs. The habits and powers of business men have been greatly modified by the sleeping-car. The Bessemer process for making steel not only employs, certainly in this country, far more men than the old process, but it has made possible many things which the old process forbade from the high cost. The steel rails have cheapened transportation. And the engineers say that a little more reduction in the cost of production will make it available for ship-building.

The fallacy of those who object to improvements in labor-saving machinery and processes lies in the false assumption that as many articles would be made by the old and expensive method as by the new and cheap one. This is absolutely untrue in theory and in fact.

One other point. The concentration of manufacturing operatives in large towns is not the result of the invention of power-driven machinery, but long preceded it. Five hundred years ago Florence was a city of artisans. In Queen Elizabeth's time certain industries were concentrated in certain localities. Forty years ago, when hosieries were made on hand frames in the workmen's homes, it came from a few towns. Philadelphia was long full of hand looms worked at home. On the other hand, New England was dotted all over with little industries wherever a village waterfall furnished power. The moment industry got beyond the supply of a purely local demand, such as supports the village blacksmith, it became concentrated in large centers, where one master employed many journeymen or piece-workers, and the product passed through the hands of the merchant and the avenues of commerce before it reached the consumer. The distinction between the village industry, where the man was half artisan, half agriculturist, and could support himself tilling the soil when his trade was dull, and the urban life where the man must find work in his trade or suffer, preceded the use of power-driven machinery. This, however, increased the concentration of operatives and of production in a particular locality. It also gave rise to the factory system, properly so-called, *i. e.*, the collection of the work-people in one building, instead of having them work at home on piece-work; but the effects of that system belong to a different inquiry.

Now the moment that production in one town exceeded the consumption of that town, agencies for its distribution must be set up. When increased production calls for or is intended to lead to increased consumption, there must be means for taking the products from the factory and offering them for sale to the ultimate consumer. The merchant and the carrier must come in. Commerce must be equal to the increased work put upon it, for if it is not, the whole fabric breaks down and the product is not consumed. Whether the merchant has grown in his ability to do this as much as the manufacturer has improved in his art, and what means should be taken to improve him, are foreign to this inquiry; the work of the mechanic and the manufacturer stops with the production, but it is a striking commentary on the inefficiency of the merchants of this country that in many trades the manufacturers have been forced to become their own distributors to the local retail stores.

The suffering among the manufacturing population of England during the thirty years which followed the introduction of power-driven machinery, say from 1785 to 1815, was due largely to the failure of the merchants to reach consumers with the

product of the factories. Consider the enormous increase of goods to be distributed; canals were not; railroads did not come till 1830; steam ocean navigation ten or fifteen years later. Commerce was paralyzed by the material obstacles of blockades, orders in council, Berlin decrees; still more perhaps by the wars or rumors of wars which, during nearly all that period, checked the business of interchanging commodities, while a curious system of legislation did its best to prevent a supply of food from reaching those workmen whose occupations or mode of life made it impossible for them to till the soil. But as these obstacles began to disappear, England, with a vastly increasing production, entered upon a career of unexampled prosperity, because her merchants were equal to her manufacturers.

The factory system, properly so-called—that is, the system of aggregating large numbers of operatives in one building under one control—has unquestionably in England at least required legislation to enable or compel the masters and the workmen to conform to what the welfare of society under this system required. But it is one of its chief merits that it brings the workmen under such organization that public opinion and legislators can be informed about their conditions and can act upon them and improve them. Reforms in ventilation, hours of work, labor, and schooling of children, which could not be enforced against operatives doing piece-work at home, can be enforced in a factory, and the necessary discipline of a large establishment requires more regular habits of the workman.

Let me add one more remark about the factory system. It enables less skillful labor to be used under more intelligent oversight. The practised hand is less important than the quick brain. The number of foremen in proportion to the number of operatives constantly increases. The financial view of education is beginning to be felt. And it is not the apprentice system but the technical schools that will furnish the supply of overseers. I think I see an improving tendency in this direction.

The CHAIRMAN. You think that the great mass of mankind is much better off now than they were, and that that is the way in which the increased production has been used up, in making mankind more comfortable, prosperous, and happy?

Mr. COFFIN. Yes, sir.

The CHAIRMAN. Do you think that if the ownership of very large masses of this increased wealth was in a few hands, that fact would in any degree invalidate the proposition which you now lay down that the great mass have been made more comfortable?

Mr. COFFIN. I think that it would.

The CHAIRMAN. Do you think that if this great increase of wealth were nominally owned by one single individual—a great king or emperor, or call him by whatever name you like—if he had the ownership of the whole of it, it would materially affect the comfort and enjoyment which the great mass of the people derive from it?

Mr. COFFIN. I think it would diminish it very much.

The CHAIRMAN. What could he do with it?

Mr. COFFIN. I do not know what he could do with it, but I do not think that his monopoly of it could contribute to the universal happiness of free beings. All history shows that it could not. In a free society the laws imposing restraint should be as few as possible consistent with the general welfare of men. The question which you have put is an abstract question, and it is not likely to call for any practical solution in this country.

The CHAIRMAN. Would you restrain men in the acquisition of property.

Mr. COFFIN. No, sir.

The CHAIRMAN. Then if you do not restrain the acquisition of property, would you do anything to prevent one man from acquiring a very large proportion of it, as many men have done?

Mr. COFFIN. No, sir.

The CHAIRMAN. But you think it is injurious to have that condition of things existing?

Mr. COFFIN. I think that, in consequence of it, the condition of society would not be so good as if it were very widely diffused.

The CHAIRMAN. If it is bad for society, why would you not restrain it?

Mr. COFFIN. Because I do not think it would be best for society to interfere.

The CHAIRMAN. Is not society formed for that very object? Is it not declared in the Constitution of the United States that the government is formed in order to "promote the general welfare," &c.?

Mr. COFFIN. Ours being a government of the people, the people can pass what laws they please to promote the general welfare; but it is manifest that the general welfare can only be promoted by wise laws. For one, I do not think such a law would be wise, neither that it would commend itself to the general judgment.

The CHAIRMAN. There is a point which I would recommend some intelligent man like yourself to consider, viz: whether, after all, it is not the function of society to introduce limitations upon the acquisition of wealth. There is no process by which any one man could have contributed to society one hundred millions of dollars, and yet

we have numbers of men who own that amount of value. In a case such as that, when a man has obtained a great deal of wealth, and never did anything to obtain it, will you do anything to prevent it?

Mr. COFFIN. Your question opens a very broad field. It is a question which confronts England to-day; whether with her acreage under cultivation diminishing from year to year, the Duke of Devonshire and others of the landed aristocracy shall be allowed to go on and keep their game preserves. Behind that question lies another, as to what shall be the limit of ownership in land; and behind that still another which the communist raises, whether a man shall have any individual ownership in land, or in anything else? When our fathers framed the Constitution they excluded primogeniture, rightly seeing that with such exclusion there could be no long-continued inheritance of large areas of land. As a practical question I do not think that we shall be called upon to grapple with it in this country.

The CHAIRMAN. In France you are aware they overturned the whole landed system by revolution. Suppose that Mr. Vanderbilt and other rich men like him would club together and make themselves proprietors of the State of New Jersey. Do you think that society would be justified in preventing them?

Mr. COFFIN. Your question takes us back to the beginning of things, and the first point to settle is the original ownership. The first title-deed is found recorded Genesis, chapter 1, verse 28, direct from the Almighty: "Be fruitful, and multiply, and replenish the earth, and subdue it." Subjugation is the title to ownership. Labor upon the land is the only ground of ownership. To begin with, every man owns himself and all that he produces by the exertion of his powers. It is the fundamental condition of existence. When he employs his power upon any material substance all that he adds to it is his. It is a natural right which society cannot interfere with. The earth was made for man; from it he obtains subsistence just in proportion as he employs his powers. This whole presentation that I have given is based on the exceeding richness of nature. Land in its natural state does not supply man's wants. It must be "subdued." True, in the tropics it produces food-bearing trees, and it provides sustenance for game, but nothing more. When our fathers came to this country they found it a wilderness filled with game, and Indians that existed by living on the game. Did the Indian own the land? He was in possession, but was his possessory title valid? Certainly not, for he had done nothing to "subdue" the land except here and there to scratch the soil. In no sense had he subdued it. Until labor has been applied to land it is utterly useless to the human race. There are millions of acres of unoccupied land, rich and fertile, in this country to-day capable of producing twenty to thirty bushels of wheat to the acre in the possession of the government, which is only another term for the people; and the government, recognizing the fundamental law that labor upon land is the true and only title to ownership, says to every individual go and occupy eighty or one hundred and sixty acres of that land for five years, and you shall have a title secured to you and your children forever. Or if you will pay \$1.25 per acre you shall have it. Labor, occupancy, gives the right of ownership. Government has not said that a man shall not purchase more, only that he shall not occupy more without paying for it. Shall he be limited in his acreage by purchase? If so, what shall be the limit? Shall it be one hundred and sixty acres or one acre, or a quarter of an acre? The right to limit at all implies the right to limit to a square rod or less.

That brings us to the demand of one class of socialists who maintain that there shall be no individual ownership in land, a question that is hardly worth while for me to enter upon in this connection; which so far as the subject-matter I had in view at the outset can only be speculative.

I think it is clear that under our industrial progress wealth does not accumulate in a few hands, as it did under the Roman Empire, or in the middle ages, or before Arkwright and Watt began to use the forces of nature for the benefit of man. There certainly is more chance for change in condition now for the mass of the people than there has been at any former period of the world's history. We have only to compare the past with the present to find unmistakable evidence on that point. It is easier for men now to change their lot in life than in any age. Why? I think I have shown conclusively that it is because we are using the forces of nature instead of our own muscles. It is incumbent upon those who say that machinery throws men out of employment to show the contrary.

Whenever I survey the past and contrast it with the present; whenever I recall the social condition of former times; the want, the squalor, the limited employments, the unchangeableness of situation, the few opportunities for advancement, in contrast with the present enjoyments, the diffused wealth, the varied occupations, the progress of the people, I can arrive at only one conclusion, that the physical, moral, and spiritual forces together are lifting us in the scale of being to a civilization immeasurably higher and nobler than the present.

Allow me, Mr. Chairman, in conclusion, to express my thanks to the committee for their kind consideration.







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